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August 27, 2009

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, N.W.  
TW-A325  
Washington, D.C. 20554

Re: NECA 2010 Modification of the Average Schedule Universal Service High Cost Loop Support Formula, WC Docket No. 05-337

Dear Ms. Dortch:

In compliance with the Wireline Competition Bureau's Order, 19 FCC Rcd 24998 (2004), attached is NECA's 2010 Modification of the Average Schedule Universal Service High Cost Loop Support Formula. This filing contains proposed modifications to the formula used to calculate interstate universal service fund high cost loop expense adjustments for average schedule companies. These average schedule modifications are scheduled to take effect on January 1, 2010 and remain in effect through December 31, 2010.

In accordance with the Commission's rules, this *2010 Modification of the Average Schedule Universal Service High Cost Loop Support Formula* has been filed electronically in the above-referenced docket.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Askoff".

Attachment:

2010 Modification of the Average Schedule Universal Service High Cost Loop Support Formula

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

**2010**

**NECA MODIFICATION OF  
THE AVERAGE SCHEDULE UNIVERSAL SERVICE  
HIGH COST LOOP SUPPORT FORMULA**

**August 27, 2009**

**NECA  
80 South Jefferson Road  
Whippany, NJ 07981**

**NECA MODIFICATION OF THE AVERAGE SCHEDULE  
UNIVERSAL SERVICE HIGH COST LOOP SUPPORT FORMULA  
EFFECTIVE JANUARY 1, 2010**

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**NECA MODIFICATION OF THE AVERAGE SCHEDULE  
UNIVERSAL SERVICE HIGH COST LOOP SUPPORT FORMULA  
EFFECTIVE JANUARY 1, 2010**

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**NECA MODIFICATION OF THE AVERAGE SCHEDULE  
UNIVERSAL SERVICE HIGH COST LOOP SUPPORT FORMULA  
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## **Summary**

In this filing, the National Exchange Carrier Association, Inc. (NECA) proposes modifications to the formula used to calculate Universal Service Fund (USF) high cost loop (HCL) expense adjustments for average schedule companies. This formula and associated cost per loop values are intended to govern HCL payments to average schedule companies in the 2010 calendar year.

This filing describes results of NECA's studies to update the HCL Cost per Loop formula, which continues to use methods approved by the Commission for use in determining average schedule USF payments in 2009.<sup>1</sup>

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<sup>1</sup> See *National Exchange Carrier Association, Inc. and Universal Service Administrative Company, 2009 Modification of Average Schedule Universal Service Support Formulas, High-Cost Universal Service Support*, WC Docket No. 05-337, Order, 23 FCC Rcd 17876 (2008) (December 10, 2008 Order).

## A. Background

The proposed average schedule High Cost Loop (HCL) formula change is needed to assure payments to average schedule companies will simulate payments received by representative cost companies, as required by section 69.606(a) of the Commission's rules.

NECA proposes herein a formula relating cost per loop data of sample companies to their loops per exchange values (see Exhibit 1). NECA includes cost per loop amounts based on this formula for every average schedule study area in its Annual Universal Service Fund Submission of Study Results. These cost per loop amounts, when used with the payment algorithm prescribed in section 36.631 of the Commission's rules, will produce HCL payments to individual companies consistent with the Commission's rules.

Annual payments to average schedule companies under the proposed formula will total approximately \$27.3 million payable to 367 average schedule study areas in 2010. These payments reflect the maintenance of the cap on the overall fund size. In comparison, payments in 2009 under the current formula are expected to amount to \$21.6<sup>2</sup> million paid to 374 study areas. The proposed payments represent an increase of \$5.7 million, or 26.4%, compared to current payments.

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<sup>2</sup> These payments are substantially less than the \$26.6 million approved by the Bureau in its *December 10, 2008 Order* primarily because of adjustments to the NACPL made to assure the fund remains under its cap. These adjustments occurred as cost companies updated their data during the past year as permitted by section 36.612 of the Commission's rules.

It should be noted the average schedule portion of high cost funding is small in part because average schedule companies generally have costs between 115% and 150% of the capped NACPL, and thus receive support compensating for only a minor portion of their loop costs. High cost loop funding for all rural companies in 2010 will amount to \$955.7 million. If the Commission approves the Cost per Loop formula proposed herein, the \$27.3 million in high cost loop funding made available in 2010 to average schedule companies will represent only 2.8% of the total rural high cost loop fund.<sup>3</sup> In contrast, there are 425 average schedule study areas, 31.6% of the 1345 total rural study areas.

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<sup>3</sup> During each year the capped NACPL typically adjusts upward because of quarterly data submission by cost companies as permitted by section 36.612 of the Commission's rules. Increases in the NACPL have the effect of reducing payments to all companies, including average schedule companies for all months of the year, compared to projected payments.

## **B. Procedural Aspects**

In preparing proposed formula revisions, NECA receives valuable assistance from the Industry Average Schedule Task Group. This group consists of exchange carrier representatives sponsored by industry associations (*i.e.* the National Telecommunications Cooperative Association, the Organization for the Promotion and Advancement of Small Telecommunications Companies and the USTelecom Association). The Task Group meets several times a year, reviews the steps taken in developing proposed average schedule formulas, advises NECA regarding the development of procedures for administration of the formulas, and assists the NECA Board of Directors in evaluating final proposed formulas. Task Group participation assures average schedule companies are able to participate fully in the development of the average schedule formulas, and also have an opportunity to provide input to NECA regarding the ways in which changes in average schedule company networks can affect settlement formulas.

As it has done in the past for each proposed average schedule modification, NECA will provide a statement to each average schedule company advising it of the impacts of these modifications. This detailed notification includes a brief overview of the new formula as well as the factors contributing to changes in a company's support amount (*e.g.* changes in loop counts and exchange count data). These detailed, individual notifications assure average schedule companies are aware of proposed changes in the support formula and the impact on their settlements to enable them to plan accordingly. NECA also provides data based on this formula to USAC for USF administration.

## **Exhibit 1**

### **Proposed High Cost Loop Formula for 2010**

If number of USF Loops is less than 50,000, and:

If Loops per Exchange is less than 700, then:

$$\text{Cost per Loop} = \$697.707956 - \$0.238177 \times \text{Loops per Exchange}$$

If Loops per Exchange is greater than or equal to 700 but less than 3,000, then:

$$\text{Cost per Loop} = \$558.994486 - \$0.040015 \times \text{Loops per Exchange}$$

If Loops per Exchange is greater than or equal to 3,000 but less than 8,000, then:

$$\text{Cost per Loop} = \$499.733921 - \$0.020261 \times \text{Loops per Exchange}$$

If number of USF loops is greater than or equal to 50,000 or if Loops per Exchange is greater than or equal to 8,000, then:

$$\text{Cost per Loop} = \$337.64$$

### **C. Data Used to Develop the Proposed Formula**

This section describes the data underlying the proposed HCL formula. Data comes from three sources:

1. USF data submitted by the population of Subset 3 study areas settling on a cost basis.
2. Financial accounts and loop data from a sample of average schedule study areas.
3. Access line and exchange count data from the entire population of average schedule study areas.

Subset 3 cost study areas provided categorized account data used to compute cost categorization factors. These data were collected in connection with the 2008 annual USF Data Submission and are available on the diskettes included with that submission.<sup>4</sup>

Account data and loop information were collected from the average schedule study areas sampled in 2007 and 2008. The 2007 sample provided 2006 financial accounts and loop information for 2007. The 2008 sample provided 2007 financial accounts and loop information for 2008. These data were used to determine Universal Service Fund (USF) loop cost values for each company, as described in the next section.

Loop data and access line counts from the sample were used to calculate a loop count value for each sample average schedule company. In the annual collection of data from sample study areas, NECA collects the following loop information to supplement access line counts: company official lines, off-premise extensions and special access lines. NECA determined the count of USF loops for each sample study area by adding access lines, company official lines and off-premises extensions bridged in the central office.

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<sup>4</sup> See 2008 NECA Universal Service Fund Submission of 2007 Study Results, National Exchange Carrier Association, Inc. (Oct. 1, 2008) (NECA 2008 USF Data Submission).

A loops-per-access line ratio was calculated by dividing sample total USF loops by sample total access lines. Totals used in this calculation were weighted using sample weights. Sample weights are used to expand the sample to a population estimate. A study area's sample weight is the reciprocal of the probability of it being included in the sample. The sample weight measures the count of units in the population a member of the sample represents. For example, a study area with a sample weight of three represents three study areas in the average schedule population. An unbiased estimate of the population is achieved by weighting access line data in this manner. This means an estimate developed by this method is expected to neither overestimate nor underestimate the loops-per-access line ratio.

$$2010 \text{ Fund Loops per Access Line Ratio} = 1.015846$$

Account and loop data from the sample were projected to December 2008 using account level and access line growth rates developed in NECA's 2008 study and filed in the 2009 NECA Modification of Average Schedules.<sup>5</sup>

Access line<sup>6</sup> data and exchange counts for the population of average schedule study areas were taken from NECA's settlement system for the month of December 2008 based on the June 2009 view. For the purpose of evaluating the proposed formula on each member of the average

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<sup>5</sup> See National Exchange Carrier Association, Inc.'s 2009 Modification of Average Schedule Formulas (Dec. 23, 2008).

<sup>6</sup> Average schedule companies report access line counts to NECA each month based on their billing of End User Common Line (EUCL) charges associated with basic local exchange service. NECA uses the reported December line counts to calculate USF loops for these companies. Loop counts based on these line counts are included in the annual USF data submission filed on October 1<sup>st</sup> of each year.

schedule population, USF loop counts were calculated for each study area using the loops per access line ratio.

$$USF\ Loops = Access\ Lines \times Loops\ per\ Access\ Line\ Ratio$$

USF loop and exchange counts for each average schedule study area are displayed in Appendix C.

#### **D. HCL Cost per Loop formula**

This section describes the derivation of the average schedule HCL Cost per Loop formula by:

- Computing categorization factors from Subset 3 cost company data;
- Determining loop costs for a sample of average schedule study areas using these factors; and
- Using sample companies' actual loop cost data to derive a statistical regression model.

These steps are explained in the following three subsections.

##### **1. Calculation of Categorization Factors from Subset 3 Cost Companies**

Cost companies submit categorized data to NECA pursuant to section 36.611 of the Commission's rules.<sup>7</sup> This data was used to compute average USF loop cost categorization factors. Loop cost categorization factors are the cost company fractions of accounts attributed to loop. They were developed from accounts related to Exchange

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<sup>7</sup> Data was taken from the USF Data submission filed with the Commission on October 1, 2008. See *NECA 2008 USF Data Submission*.

Line Cable and Wire (C&WF) Facilities (Category 1) and Exchange Line Central Office Circuit equipment (Category 4.13).

For example, by computing the ratio of cost company Central Office Equipment (COE) 4.13 investment to total cost company COE investment, NECA developed average categorization factors for Category 4.13 investment. Loop cost categorization factors were developed for each of NECA's six geographical regions, to recognize categorization differences in circuit equipment and cable and wire facilities across regions.

Exhibit 2 summarizes how these categorization factors were computed from cost company data, and how they were used to allocate average schedule company data. The first column names the Algorithm line corresponding to instructions in Tab 3 of NECA's Universal Service Fund (USF) 2008 Submission of 2007 Study Results.<sup>8</sup> Algorithm lines AL3, AL4, AL5 and AL6 are categorization factors defined in the USF submission to apportion unseparated cost accounts to loop. Algorithm lines 13 through 24 are the various cost components of loop cost. Line 25 is the total unseparated loop cost. Line 26 is the cost per loop. Loop cost components are named in the second column in Exhibit 2. The third column is a description of each algorithm line and the last column presents cost categorization formulas used to calculate the value for each sample average schedule company.

Algorithm Lines 23 and 24 in Exhibit 2 use Adjustment Ratios to allocate Total Accumulated Depreciation to C&W Facilities and COE Transmission. This is done to ensure the amount of reserves assigned to loop is in proportion to the amount of

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<sup>8</sup> *Id.*

investment assigned to loop. The adjustment ratio is calculated as follows:

$$\text{Adjustment Ratio} = \frac{\text{Proportion Of Reserves Allocated To Loop}}{\text{Proportion Of Investment Allocated To Loop}}$$

For example, an adjustment ratio of 0.9656 for Cable & Wire Facilities means the portion of reserves allocated to Loop is 96.56% of the portion of Cable & Wire Facilities investment allocated to Loop. Exhibit 3 describes the derivation of these ratios.

**Exhibit 2**

**Allocation Of Average Schedule Accounts To Loop Cost Categories**

Algorithm Line	Loop Cost Component	Factor Description	Cost Allocation Formula
AL3		Factor A: C&WF Cat. 1/Total C&WF	Average ratio by region based on cost company data
AL4		Factor B: COE Cat. 4.13/Total COE	Average ratio by region based on cost company data
AL5		Factor C (C&WF Gross Allocator): C&WF Cat. 1/Total Plant in Service	Average ratio by region based on cost company data
AL6		Factor D (COE Gross Allocator): COE Cat. 4.13/Total Plant in Service	Average ratio by region based on cost company data
AL13	C&WF Maintenance	C&WF Maintenance Expense assigned to Cat. 1  C&WF R&B Factor = <u>C&amp;WF R&amp;B Exp.</u> <u>C&amp;WF Expense</u> <sup>9</sup>	Factor A x (1 - C&WF R&B Factor)  x <u>C&amp;WF Expense</u> <sup>9</sup>
AL14	COE Maintenance	COE Maintenance Expense assigned to Cat. 4.13  COE R&B Factor = <u>COE R&amp;B Exp.</u> <u>COE Expense</u>	Factor B x (1 - COE R&B Factor) x <u>COE Expense</u>

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<sup>9</sup> Amounts underlined are data or calculated values of sample average schedule study areas. Other values are cost company factors.

**Exhibit 2**

**Allocation Of Average Schedule Accounts To Loop Cost Categories**

Algorithm Line	Loop Cost Component	Factor Description	Cost Allocation Formula
AL15	Network and General Support Expense	<p>Network Support Expense plus General Support Expense assigned to C&amp;WF Cat. 1 and to COE Cat. 4.13</p> <p>Net. Spt. R&amp;B Factor =  <math display="block">\frac{\text{Network Spt. R&amp;B Exp.}}{\text{Network Support Expense}}</math></p> <p>Gen. Spt. R&amp;B Factor =  <math display="block">\frac{\text{General Spt. R&amp;B Exp.}}{\text{General Support Expense}}</math></p>	$(\text{Factor A} + \text{Factor B})$ $\times [(1 - \text{Network Support R&B Factor})$ $\times \underline{\text{Network Support Expense}}$ $+ (1 - \text{General Support R&B Factor})$ $\times \underline{\text{General Support Expense}}]$
AL16	Network Operations Expense	<p>Network Operations Expense assigned to C&amp;WF Cat. 1 and to COE Category 4.13</p> <p>Ntwk. Oper. R&amp;B Factor =  <math display="block">\frac{\text{Ntwk. Oper. R&amp;B Exp.}}{\text{Ntwk. Oper. Expense}}</math></p>	$(\text{Factor A} + \text{Factor B})$ $\times (1 - \text{Network Operations R&B Factor})$ $\times \underline{\text{Network Operations Expense}}$
AL17	C&WF Depreciation & Amortization Expense	<p>Depreciation &amp; Amortization Expense assigned to C&amp;WF Category 1</p> <p>Dep. Exp. C&amp;WF Factor =  <math display="block">\frac{\text{Dep. &amp; Amort. Exp. CWF}}{\text{C&amp;WF}}</math></p> <p>Tangibles -- C&amp;WF =  <math display="block">\frac{\text{Amort. Tangible Assets -- C&amp;WF}}{\text{Amort. Tangible Assets}}</math></p> <p>Depreciation--Tang. Factor =  <math display="block">(\text{Deprec. -- Tangibles}) / \text{Tangibles}</math></p>	<p>Factor A</p> $\times [(\text{Depreciation Expense Factor -- C&WF} \times$ $\underline{\text{C&WF}})$ $+ (\text{Depreciation Expense Factor -- Tangibles} \times$ $\underline{\text{Tangibles}}) + (\text{Tangibles Factor -- C&WF} \times$ $\underline{\text{Amort. Tangible Assets}})]$

**Exhibit 2**

**Allocation Of Average Schedule Accounts To Loop Cost Categories**

Algorithm Line	Loop Cost Component	Factor Description	Cost Allocation Formula
AL18	COE Depreciation & Amortization Expense	<p>Depreciation &amp; Amortization Expense assigned to COE Category 4.13</p> <p>Dep. Exp. COE Factor = <math>\frac{\text{Dep. &amp; Amort. Exp. COE}}{\text{COE}}</math></p> <p>Tangibles -- COE = <math>\frac{\text{Amort. Tangible Assets -- COE}}{\text{Amort. Tangible Assets}}</math></p> <p>Depreciation--Tang. Factor = <math>\frac{\text{Deprec. -- Tangibles}}{\text{Tangibles}}</math></p>	<p>Factor B</p> $\begin{aligned} & \times [(\text{Depreciation Expense Factor--COE} \times \underline{\text{COE}}) \\ & + (\text{Depreciation Expense Factor--Tangibles} \times \underline{\text{Tangibles}}) + (\text{Tangibles Factor -- COE} \times \underline{\text{Amort. Tangible Assets}})] \end{aligned}$
AL19	Corporate Operations Expense	Corporate Operations Expense assigned to C&WF Cat. 1 and to COE Cat. 4.13, limited as per §36.621(a)(4) <sup>10</sup>	(Factor C + Factor D) $\times \underline{\text{Corporate Operations Expense}}$

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<sup>10</sup> For purposes of the USF Data Submission, Corporate Operations Expenses were subject to the cap imposed by the Commission in its Order on Reconsideration adopted July 10, 1997. See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Order on Reconsideration, 12 FCC Rcd 10095 at ¶¶ 19-21 (1997). Modifications to this cap according to the RTF Order are reflected here.

**Exhibit 2**

**Allocation Of Average Schedule Accounts To Loop Cost Categories**

Algorithm Line	Loop Cost Component	Factor Description	Cost Allocation Formula
AL20	Operating Taxes	<p>Operating Taxes assigned to C&amp;WF Cat. 1 and to COE Cat. 4.13</p> <p>Operating Taxes Factor = <math>\frac{\text{Operating Taxes}}{\text{Total Plant in Service}}</math></p>	$(\text{Factor C} + \text{Factor D})$ $\times \text{Operating Taxes Factor}$ $\times \underline{\text{Total Plant in Service}}$
AL21 + AL22	Benefits & Rents	<p>Benefits &amp; Rents other than Corporate Operations Expense assigned to C&amp;WF Cat. 1 and COE Cat. 4.13</p> <p>C&amp;WF R&amp;B Factor = <math>\frac{\text{C&amp;WF R&amp;B Expense}}{\text{C&amp;WF Expense}}</math></p> <p>COE R&amp;B Factor = <math>\frac{\text{COE R&amp;B Expense}}{\text{COE Expense}}</math></p> <p>Net. Sup. R&amp;B Factor = <math>\frac{\text{Network Sup. R&amp;B Exp.}}{\text{Network Support Expense}}</math></p> <p>Gen. Sup. R&amp;B Factor = <math>\frac{\text{General Sup. R&amp;B Exp.}}{\text{General Support Expense}}</math></p>	$(\text{Factor C} + \text{Factor D})$ $\times [(\text{C&WF R&B Factor} \times \underline{\text{C&WF Expenses}})$ $+ (\text{COE R&B Factor} \times \underline{\text{COE Expenses}})$ $+ (\text{Net. Sup. R&B Factor} \times \underline{\text{Net. Sup. Expenses}})$ $+ (\text{General Sup. R&B Factor} \times \underline{\text{General Sup. Expenses}})$ $+ (\text{Net. Op. R&B Factor} \times \underline{\text{Net. Op. Expenses}})]$

**Exhibit 2**

**Allocation Of Average Schedule Accounts To Loop Cost Categories**

Algorithm Line	Loop Cost Component	Factor Description	Cost Allocation Formula
AL23	C&WF Return	<p>Return Component for C&amp;WF Cat. 1</p> <p>C&amp;WF Cat. 1 Factor = <math>\frac{\text{C\&amp;WF Cat. 1}}{\text{C\&amp;WF}}</math></p> <p>Tangibles -- C&amp;WF Factor = <math>\frac{\text{Tangibles --C\&amp;WF}}{\text{Tangibles}}</math></p> <p>Accum. Dep. Adj. Ratio -- C&amp;WF (See Exhibit 3)</p>	$\{( \text{C\&WF Cat. 1 Factor} \times \underline{\text{C\&WF}} )$ $+ (\text{Tangibles Factor} -- \text{C\&WF} \times \underline{\text{Tangibles}})$ $+ (\text{Factor C} \times \underline{\text{Materials \& Supplies}})$ $- \text{Factor A} \times [(\text{Accum. Dep. Adj. Ratio} -- \text{C\&WF})$ $\times \underline{\text{Acc. Dep.}} \times \% \underline{\text{C\&WF of TPIS}})$ $+ (\text{Net N.C. D. OIT Factor} -- \text{C\&WF} \times \underline{\text{TPIS}})$ $+ (\text{Tangibles Factor} -- \text{C\&WF} \times \underline{\text{Acc. Amo.}} - \underline{\text{Tangibles}}) ] \} \times .1125$
AL24	COE Return	<p>Return Component for COE Cat. 4.13</p> <p>COE Cat. 4.13 Factor = <math>\frac{\text{COE Cat. 4.13}}{\text{COE}}</math></p> <p>Tangibles -- COE Factor = <math>\frac{\text{Tangibles --COE}}{\text{Tangibles}}</math></p> <p>Accum. Dep. Adj Ratio -- COE. (See Exhibit 3)</p>	$\{( \text{COE Cat. 4.13 Factor} \times \underline{\text{COE}} )$ $+ (\text{Tangibles Factor} -- \text{COE} \times \underline{\text{Tangibles}})$ $+ (\text{Factor D} \times \underline{\text{Materials \& Supplies}})$ $- \text{Factor B} \times [(\text{Accum. Dep. Adj Ratio} -- \text{COE})$ $\times \underline{\text{Acc. Dep}} \times \% \underline{\text{COE of TPIS}})$ $+ (\text{Net N.C. Def. OIT Factor} -- \text{COE} \times \underline{\text{TPIS}})$ $+ (\text{Tangibles Factor} -- \text{COE} \times \underline{\text{Acc. Amo.}} - \underline{\text{Tangibles}}) ] \} \times .1125$
AL25	Loop Costs	Total Unseparated Loop Cost	Sum of AL13 -- AL24
AL26	Cost Per Loop	Study Area Cost per Loop	AL25 Divided by Total Loops

### **Exhibit 3**

#### **Adjustment Ratios For Allocation Of Total Accumulated Depreciation**

Description	Calculation	Factor name
COE Transmission fraction of TPIS	Sum DL240 / Sum DL160	TPIS % 2230
C&W Facilities fraction of TPIS	Sum DL255 / Sum DL160	TPIS % 2410
COE Transmission fraction of Tot. Acc. Dep.	Sum DL270 / Sum DL190	ACCT 3100 % 2230
C&W Facilities fraction of Tot. Acc. Dep.	Sum DL280 / Sum DL190	ACCT 3100 % 2410
Adjustment Ratio for COE Transmission.	ACCT 3100 % 2230 / TPIS % 2230	Accum. Dep. Adj. Ratio - COE
Adjustment Ratio for C&W Facilities.	ACCT 3100 % 2410 / TPIS % 2410	Accum. Dep. Adj. Ratio - C&WF

DL240 = COE Transmission (Acct 2230)

DL255 = C&WF Total (Acct 2410)

DL160 = Total Plant in Service (TPIS)

DL270 = Accumulated Depreciation - COE Transmission Equipment

DL280 = Accumulated Depreciation – Cable & Wire Facilities

DL190 = Accumulated Depreciation

Exhibit 4 displays the computed values of the loop cost categorization factors from sample cost companies, in each of NECA's seven geographical regions.

**Exhibit 4**  
**Loop Cost Categorization Factors from Sample Cost Companies**

FACTOR	EASTERN	SOUTHERN	MIDWEST	SOUTH WESTERN	WESTERN	NORTH CENTRAL
FACTOR A	0.90734	0.95045	0.90593	0.88695	0.85846	0.88578
FACTOR B	0.27995	0.39783	0.39233	0.42720	0.36616	0.36080
FACTOR C	0.44094	0.52316	0.47259	0.52049	0.45148	0.47773
FACTOR D	0.09523	0.12285	0.12477	0.11868	0.11279	0.11527
C&WF RENTS & BENEFITS	0.29410	0.28413	0.31250	0.28859	0.24484	0.24391
COE RENTS & BENEFITS	0.05751	0.06876	0.12914	0.08717	0.08783	0.06615
TANGIBLES - C&WF	0.00000	0.00000	0.00000	0.16721	0.00000	0.84872
TANGIBLES - COE TRANSMISSION	0.12040	0.00000	0.00000	0.13949	0.17497	0.00000
TANGIBLES - COE CATEGORY 4.13	0.00000	0.00000	0.00000	0.13949	0.17497	0.00000
ACCUMULATED DEPRECIATION - C&WF	0.47917	0.54700	0.49458	0.56303	0.48685	0.52647
ACCUMULATED DEPRECIATION - COE TRANS.	0.16230	0.18905	0.20840	0.19597	0.20799	0.20361
NET NON-CURR DEF FIT-C&WF- Commercial Comp.	0.02132	0.01483	0.01496	0.02164	0.01183	0.01123
NET NON-CURR DEF FIT-C&WF- Coops	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
NET NON-CURR DEF FIT-COE TRANS.- Comm Comp.	0.00771	0.00722	0.00549	0.00557	0.00357	0.00948
NET NON-CURR DEF FIT-COE TRANS.- Coops	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
NETWORK SUPPORT RENTS & BENEFITS	0.04555	0.15157	0.18227	0.11355	0.12114	0.33269
GENERAL SUPPORT RENTS & BENEFITS	0.18230	0.14260	0.24130	0.17893	0.31470	0.20430
NETWORK OPERATIONS BENEFITS	0.14623	0.22219	0.26345	0.22126	0.25222	0.20881
DEPRECIATION EXPENSE - C&WF	0.04377	0.04969	0.04819	0.04949	0.04428	0.04586
DEPRECIATION EXPENSE -COE TRANSMISSION	0.06940	0.08668	0.08417	0.08588	0.07901	0.08243
DEPRECIATION - TANGIBLES	0.00000	0.00000	0.00000	0.12449	0.00000	0.00014
ACCUM. DEP. ADJ. RATIO - COE	0.91387	0.99026	1.07085	1.07505	1.11057	0.99116
ACCUM. DEP. ADJ. RATIO - C&WF	0.96560	0.96335	0.91905	0.93901	0.89661	0.94806
OPERATING INCOME TAX - Cooperatives	0.00486	0.00393	0.00713	0.00799	0.00716	0.00469
OPERATING INCOME TAX-Commercial Companies	0.01776	0.02954	0.02135	0.02525	0.01816	0.02332

## **2. Calculation of Loop Cost for Sample Average Schedule Companies**

NECA calculated loop costs for sample average schedule companies consistent with the Part 36 rules applying to cost companies. Accordingly, for each average schedule study area in the sample, the loop cost is the accumulation of components of accounts assigned to loop. Costs assigned to the loop include Cable & Wire Facilities investment in Category 1, COE investment in Category 4.13 and other accounts assigned proportionately based on these accounts. Portions of costs in accounts assigned to loop were determined using the allocation ratios derived from cost companies.

NECA applied the cost categorization factors shown in Exhibit 4 to uncategorized accounts from sample average schedule study areas to produce unseparated average schedule category-level loop costs. Section 36.621 of the Commission's rules describes various unseparated accounts making up a study area's total unseparated loop costs. Following this method, the unseparated loop cost for each sample average schedule study area was determined by summing the following categories related to COE Category 4.13 and C&WF Category 1 plant, as follows.

$$\begin{aligned} \text{Loop Cost} = & \text{ Maintenance Expense} + \text{Network \& General Support Expenses} \\ & + \text{Network Operations Expense} + \text{Depreciation \& Amortization Expense} \\ & + \text{Corporate Operations Expense} + \text{Operating Taxes} + \text{Benefits Expense} \\ & + \text{Rent Expense} + \text{Return on Investment} \end{aligned}$$

Exhibit 5 presents the results of loop cost calculations for the average schedule sample.

The calculated actual cost per loop amounts, when used with the payment algorithm prescribed in section 36.631 of the Commission's rules, produce \$134.6 million in

uncapped USF expense adjustments sample companies would be entitled to receive if they were to conduct cost studies.

NECA estimated the amount of expense adjustment to which the entire population of average schedule companies would be entitled if they were to conduct the necessary cost studies, by using the sample weights described in Section C. Based on this calculation, the total uncapped expense adjustment amount payable to the entire population of average schedule companies based on cost studies would be \$200.6 million in 2010.

## Exhibit 5

### Allocation of Unseparated Total Accounts to Loop Weighted Total Data from the Average Schedule Sample

Cost Category	Calculation Method	Total Account Per Loop	Avg Loop %	Loop Cost Per Loop
C&WF Category 1	Cost Company Factor	1758.31	0.9131	1605.48
COE Category 4.13	Cost Company Factor	1268.55	0.3489	442.6
Factor A	% C&WF Cat 1 of Total C&WF	1758.51	0.9130	1605.48
Factor B	% COE Cat 4.13 of Total COE	1268.55	0.3489	442.6
Factor C	% C&WF Cat 1 of TPIS	3504.84	0.4581	1605.48
Factor D	% COE Cat 4.13 of TPIS	3504.84	0.1263	442.6
Materials & Supplies for CWF Cat 1	Factor C x M&S	27.7	0.4596	12.73
Materials & Supplies for COE Cat 4.13	Factor D x M&S	27.7	0.1233	3.42
Reserves for CWF Cat 1	Factor A x Reserves	2443.51	0.4223	1031.92
Reserves for COE Cat 4.13	Factor B x Reserves	2443.51	0.1376	336.18
Factor E	% Net C&WF Cat 1 of Net TPIS	1154.85	0.5077	586.29
Factor F	% Net COE Cat 4.13 of Net TPIS	1154.85	0.0951	109.84
Maintenance of C&WF Cat 1	Factor A x (Maintenance - R & B)	63.92	0.6549	41.86
Maintenance of COE Cat 4.13	Factor B x (Maintenance - R & B)	46.15	0.2907	13.42
Network Support Assigned to Loop	(Fact C + Fact D) x (Net Sup Exp - R&B)	2.74	0.4337	1.19
General Support Assigned to Loop	(Fact C + Fact D) x (Gen Sup Exp - R&B)	30.55	0.4710	14.39
Network Operations Assigned to Loop	(Fact C + Fact D) x (Net Ops Exp - R&B)	51.53	0.4740	24.43
Depreciation of C&WF Cat 1	C&WF Cat 1 x C&WF Deprec Rate	1605.48	0.0467	75
Depreciation of COE Cat 4.13	COE Cat 4.13 x COE Deprec Rate	442.6	0.0764	33.83
Corporate Oper. Exp. Assigned to Loop	(Fact C + Fact D) * Corp. Oper. Exp.	159.35	0.5146	81.99
Operating Taxes Assigned to Loop	(Factor C + Factor D) x Oper Taxes	59.29	0.5803	34.4
Benefits in Oper. Exp. Assigned to Loop	(Fact C + Fact D) x (Benefits - Corp Ops)	143.36	0.1920	27.53
Rents in Oper Exp Assigned to Loop	(Fact C + Fact D) x (Rents - Corp Ops)	143.36	0.0452	6.48
Return on C&WF Cat 1	.1125 x Net CWF Cat 1	586.29	0.1125	65.96
Return on COE Cat 4.13	.1125 x Net COE Cat 4.13	109.84	0.1125	12.36
Total Loop Cost	Sum 13 Thru 24	3444.45	0.1257	432.84

### **3. Cost per Loop Formula for 2010**

This study develops a formula simulating the cost per loop data of sample companies, which is used to compute loop costs as the basis of expense adjustments for all average schedule companies. The underlying basis of the formula is the comparison of cost per loop data obtained from average schedule sample companies to their ratios of loops per exchange. Based on the relationship of these variables, a mathematical model is developed and is used to compute HCL cost per loop for each member of the total population of average schedule companies.

NECA used the actual cost per loop data of sample average schedule study areas to derive a statistical regression model. This model was first presented in the 2002 NECA Modification of Average Schedule Universal Service Formulas, filed on October 1, 2001, and approved by the Commission in its July 30, 2002 Order.<sup>11</sup> The model relating cost per loop to loops per exchange in this year's study produces statistically significant coefficients. NECA proposes use of this model in 2010.

In Appendix B of this filing NECA presents actual HCL cost per loop (CPL) data for sample average schedule study areas. This section explains the use of that data to develop a statistical model for calculating CPL values for each study area in the average schedule population.

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<sup>11</sup> See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, National Exchange Carrier Association, Inc. Proposed 2002 Modification of Average Schedule Formulas, Order, 17 FCC Rcd 14236 (2002).

This model uses the outlier accommodation method for regression, first introduced in NECA's December 31, 1998 average schedule filing<sup>12</sup> and approved by the Commission.<sup>13</sup> The threshold used in this calculation was equal to three standard deviations of the residuals. The outlier accommodation method uses weighted linear regression, with regression weights defined in two steps. First residuals and DFFITS values for each observation are determined by an unweighted linear regression. Then regression weights are calculated using these values.

If  $\text{Abs}(\text{residual}) \leq \text{threshold}$ , then regression weight<sub>i</sub>=1

$$\text{Else regression weight}_i = \left( \frac{C/2}{DFFITS_i} \right)^2, \text{ where } C = 2\sqrt{\frac{P+1}{N-P-1}}$$

P = number of model coefficients, N = number of observations

The model relates the CPL variable (the dependent variable) to the loops per exchange variable using constrained linear regression. The model reflects the CPL trend of sample companies, which show relatively higher costs associated with lower values of loops per exchange. This trend decreases at one rate for the smallest study areas, then decreases at slower rates for each of two groups of midsize average schedule study areas, and finally levels off for the larger study areas.

Breakpoints and levels of the straight line components of the formula were chosen because they best fit the cost per loop data. NECA designed formula breakpoints to

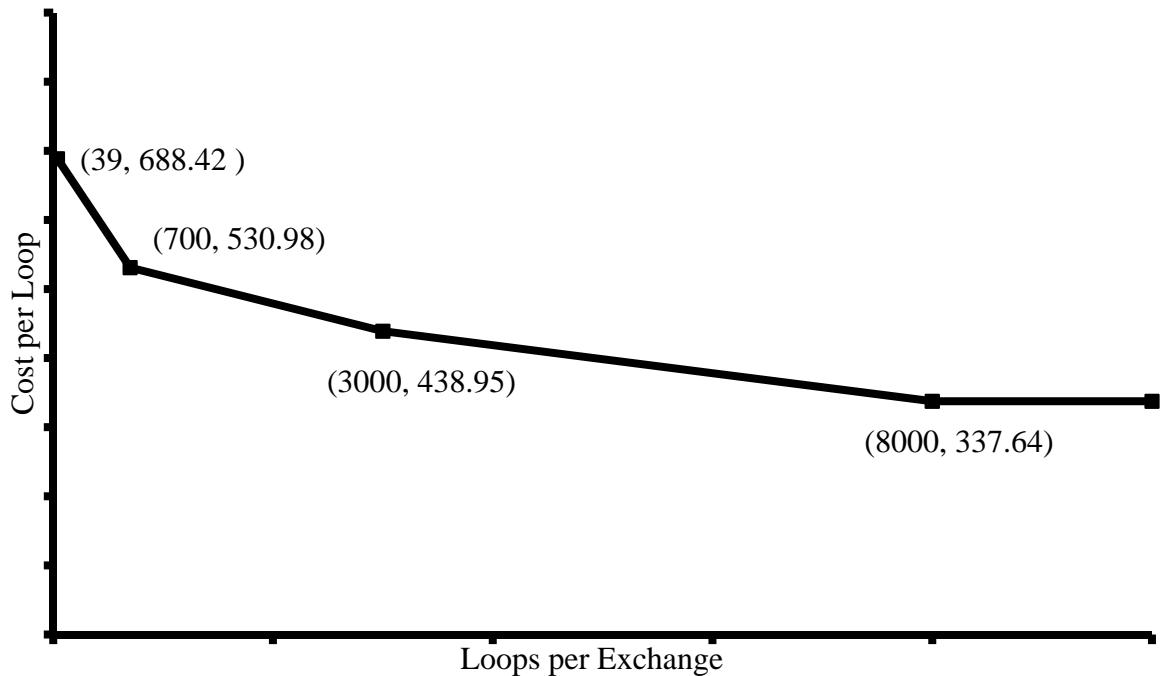
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<sup>12</sup> See 1999 NECA Modifications of Average Schedules, National Exchange Carrier Association, Inc. (Dec. 31, 1998).

<sup>13</sup> See National Exchange Carrier Association, Inc., Proposed Modifications to the 1999-2000 Interstate Average Schedule Formulas, ASD 99-18, Order, 14 FCC Rcd 9803 (1999).

assure support amounts would be accurately distributed across study areas in all size ranges. The resulting Cost per Loop model consists of four straight lines connected at loops per exchange breakpoints of 700, 3000 and 8000. NECA tested sets of breakpoints and regression coefficients iteratively to determine the combination with the best fit to the data.

**Exhibit 6**  
**Cost Per Loop Model**



To fit the Cost per Loop formula to sample company data, NECA first calculated the overall average CPL of study areas with more than 50,000 USF Loops, or with loops per exchange exceeding 8000, using the standard weighted ratio estimation method. This method produced a formula Cost per Loop for this group of study areas of \$337.64. This CPL is a good statistical representation of the data for these study areas, which show a consistently flat trend as relates to loops per exchange.

$$\text{Cost Per Loop} = \frac{\sum_{ECs > (8000 LPE \text{ or } 50000 \text{ Loops})} \text{Sample Weight}_i \cdot \text{Outlier Weight}_i \cdot \text{Loop Cost}_i \cdot \text{Loops}_i}{\sum_{ECs > (8000 LPE \text{ or } 50000 \text{ Loops})} \text{Sample Weight}_i \cdot \text{Outlier Weight}_i \cdot \text{Loops}_i}$$

Next, NECA used linear regression to solve for other parameters of the model. The regression model is a sequence of four connected straight lines specified as follows (CPL designates the study area's cost per loop; LPE designates each study area's loops per exchange, and BP designates breakpoint).

$$CPL_i = [a_1 + b_1 LPE_i] \delta_{1i} + [a_2 + b_2 LPE_i] \delta_{2i} + [a_3 + b_3 LPE_i] \delta_{3i} + a_4 \delta_{4i}$$

where:  $\delta_{1i} = 1$ , if ( $LPE_i \leq BP_1$ , and loops  $< 50,000$ ), and  $\delta_{1i} = 0$  otherwise.

$\delta_{2i} = 1$ , if ( $BP_1 < LPE_i \leq BP_2$ , and loops  $< 50,000$ ), and  $\delta_{2i} = 0$  otherwise.

$\delta_{3i} = 1$ , if ( $BP_2 < LPE_i \leq BP_3$ , and loops  $< 50,000$ ) and  $\delta_{3i} = 0$  otherwise.

$\delta_{4i} = 1$ , if ( $BP_3 > LPE_i$ , or loops  $\geq 50,000$ ) and  $\delta_{4i} = 0$  otherwise.

The model is constrained at the breakpoints,  $BP_1$ ,  $BP_2$  and  $BP_3$ , so that:

$$a_1 + b_1 \cdot BP_1 = a_2 + b_2 \cdot BP_1$$

$$a_2 + b_2 \cdot BP_2 = a_3 + b_3 \cdot BP_2$$

$$a_3 + b_3 \cdot BP_3 = a_4 = \$337.64$$

The resulting model is derived using standard linear regression methods, including outlier weighting as described earlier in this section. This model fits the CPL data most accurately, and reflects relationships between loop cost and loops per exchange. The resulting Cost per Loop model is shown in Exhibit 1.

This model produces cost per loop values uniformly higher than the current formula.

#### **E. HCL Payments for the Population of Average Schedule companies**

In 2010, actual HCL payments will be determined using each company's CPL value, the expense adjustment algorithm, and the NACPL value adjusted according to the Commission's rules to cap the total fund size. Following is a discussion of the effects of these calculations.

According to the Commission's rule 36.631 NECA calculates expense adjustments two ways, first using the uncapped NACPL defined to be \$240.00, and second using the "capped" NACPL of \$412.35 at the time of this filing.<sup>14</sup>

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<sup>14</sup> This is NECA's initial estimate of the capped NACPL for 2010, based on data reported to date.

Although cost per loop values are projected to increase, the payments to 56 average schedule companies will be reduced, due to the cap on payments, from the uncapped expense adjustment level of \$201.2 million to \$27.3 million. Average schedule companies actually receiving payments in 2010 are those with loops per exchange less than 2,118, according to NECA's current view of the capped NACPL. Because the current capped NACPL does not yet reflect quarterly updates to cost data submissions to be filed after October 1 of this year, the capped NACPL can be expected to increase, further reducing average schedule payments compared to levels stated above.

#### **F. Effects of Changes on Average Schedule Companies**

This section provides a summary comparison of proposed payments of \$27.3 million and current payments of \$21.6 million, categorized by line size group and by percent change.

Exhibit 7 summarizes the monthly changes in payments by study area size.

#### **Exhibit 7**

#### **Proposed Monthly HCL Payment Changes By Loop Size**

Access Line Size Group	Count of Study Areas	2009 USF Payments (current)	2010 Proposed Payment (Fund Cap Applied)	Monthly Change per Loop	Percent Difference
0 TO 500	72	\$149,494	\$156,826	\$0.37	4.90
500 TO 1000	88	\$243,946	\$306,899	\$0.98	25.81
1000 TO 2500	137	\$612,883	\$745,914	\$0.62	21.71
2500 TO 5000	54	\$324,335	\$423,437	\$0.50	30.56
5000 TO 10000	43	\$324,125	\$465,792	\$0.48	43.71
10000 TO 20000	16	\$92,633	\$111,701	\$0.09	20.58
OVER 20000	15	\$51,457	\$66,790	\$0.02	29.80

Exhibit 8 summarizes the monthly changes in expense adjustments by percent change bands.

### Exhibit 8

#### **Proposed Monthly HCL Payment Changes By Per Cent Change Bands**

Percent Change Group	Count of Study Areas	2009 USF Payments (current)	2010 Proposed Payment (Fund Cap Applied)	Monthly Change per Loop
-100% TO -90%	8	\$11,115	\$13	-\$0.15
-90% TO -80%	1	\$612	\$95	-\$0.25
-80% TO -70%	3	\$1,807	\$429	-\$0.22
-60% TO -50%	4	\$5,952	\$2,631	-\$0.18
-40% TO -30%	1	\$2,714	\$1,648	-\$0.13
-30% TO -20%	1	\$15,413	\$12,154	-\$0.10
-20% TO -10%	3	\$2,586	\$2,223	-\$0.09
-10% TO -5%	11	\$14,446	\$13,352	-\$0.36
-5% TO -2%	12	\$26,457	\$25,614	-\$0.33
-2% TO 0%	12	\$58,793	\$58,193	-\$0.10
0% TO 2%	68	\$119,763	\$121,353	\$0.00
2% TO 5%	22	\$219,944	\$226,843	\$0.24
5% TO 10%	36	\$279,120	\$298,017	\$0.44
10% TO 20%	27	\$191,410	\$220,339	\$0.82
20% TO 30%	30	\$165,056	\$204,725	\$0.86
30% TO 40%	22	\$98,649	\$134,178	\$0.67
40% TO 50%	17	\$43,330	\$62,870	\$0.53
50% TO 60%	38	\$193,214	\$299,809	\$0.64
60% TO 70%	54	\$185,241	\$307,393	\$0.97
70% TO 80%	44	\$143,020	\$247,265	\$1.16
80% TO 90%	8	\$12,688	\$23,501	\$1.63
90% TO 100%	3	\$7,543	\$14,714	\$1.86

## **G. Conclusion**

The proposed HCL formula shown in Exhibit 1 herein has been shown to conform to FCC USF reporting rules, produce payments consistent with those experienced by similarly situated cost companies as required by the Commission's Part 69 rules, and yield reasonable changes in payments to average schedule companies. The Commission should approve this formula to go into effect on January 1, 2010.

Appendix A  
2009 Average Schedule USF Study  
Study Area Code / Study Area Name

Obs	Study Area Code	Study Area Name
1	100005	COBOSSEECONTEE TEL. CO.
2	100015	COMMUNITY SERVICE TEL. CO.
3	100019	OXFORD COUNTY TEL. & TELE. CO.
4	100020	PINE TREE TEL. & TELE. CO.
5	100022	SACO RIVER TEL. & TELE. CO.
6	120042	DIXVILLE TEL. CO.
7	120043	DUNBARTON TEL. CO.
8	140053	FRANKLIN TEL. CO.-VT
9	140064	SHOREHAM TEL. CO., INC.
10	150076	CASSADAGA TEL. CORP.
11	150125	STATE TEL. CO.
12	170145	BENTLEYVILLE COMM CORP dba THE BENTLEYVILLE
13	170151	BUFFALO VALLEY TEL. CO.
14	170156	CITIZENS TEL. CO. OF KECKSBURG
15	170161	COMMONWEALTH TELEPHONE COMPANY
16	170162	THE CONESTOGA TEL. AND TEL. CO.
17	170165	DENVER AND EPHRATA TEL. & TEL. CO.
18	170171	HICKORY TEL. CO.
19	170175	IRONTON TEL. CO.
20	170179	LAUREL HIGHLAND TEL. CO.
21	170191	THE NORTH-EASTERN PENNSYLVANIA TELEPHONE CO.
22	170193	CONSOLIDATED COMMUNICATIONS OF PA COMPANY
23	170195	ARMSTRONG TEL. CO. NORTH
24	170196	PALMERTON TELEPHONE COMPANY
25	170197	PENNSYLVANIA TEL. CO.
26	170200	PYMATUNING IND. TEL. CO.
27	170204	SOUTH CANAAN TEL. CO.
28	170210	VENUS TEL. CORP.
29	170215	YUKON-WALTZ TEL. CO.
30	170277	WEST SIDE TEL. CO.-PA
31	190220	BURKE'S GARDEN TEL. CO., INC.
32	190225	CITIZENS TEL. COOP.-VA
33	190226	NTELOS, INC.
34	190236	NORTH RIVER TEL. COOP.
35	190237	HIGHLAND TEL. COOP.-VA
36	190238	MGW TELEPHONE COMPANY, INC.
37	190239	NEW HOPE TELEPHONE COOPERATIVE
38	190243	PEMBROKE TEL. COOP.
39	190250	SHENANDOAH TEL. CO.
40	190253	VIRGINIA TEL. CO.
41	200258	WAR ACQUISITION CORP. DBA WAR TELEPHONE CO.
42	220324	VALLEY TELEPHONE CO., LLC
43	220364	WINDSTREAM GEORGIA TELEPHONE, INC.
44	220380	PROGRESSIVE RURAL TEL. COOP., INC.
45	220387	FRONTIER COMMUNICATIONS OF GEORGIA, LLC
46	220389	TRENTON TEL. CO.
47	220395	WINDSTREAM ACCUCOMM TELECOMMUNICATIONS, INC.
48	230478	ELLERBE TEL. CO.
49	230491	NORTH STATE TEL. CO.-NC dba NORTH STATE COMM.

Appendix A  
2009 Average Schedule USF Study  
Study Area Code / Study Area Name

Obs	Study Area Code	Study Area Name
50	230494	PINEVILLE TEL. CO.
51	230495	RANDOLPH TEL. CO.
52	230496	RANDOLPH TEL. MEMB. CORP.
53	230497	PIEDMONT TEL. MEMB. CORP.
54	230500	SERVICE TEL. CO.
55	230501	SKYLINE TEL. MEMB. CORP.
56	230503	SURRY TEL. MEMB. CORP.
57	230505	TRI-COUNTY TEL. MEMB. CORP.-NC
58	230511	YADKIN VALLEY TEL. MEMB. CORP.
59	240515	CHESNEE TEL. CO.
60	240516	CHESTER TEL. CO.-SC
61	240532	LOCKHART TEL. CO., INC.
62	240535	NORWAY TEL. CO., INC.
63	240536	PALMETTO RURAL TEL. COOP., INC.
64	240541	RIDGEWAY TEL. CO., INC.
65	240546	SANDHILL TEL. COOP., INC.
66	250283	BRINDLEE MOUNTAIN TEL. CO.
67	250285	CASTLEBERRY TEL. CO., INC.
68	250301	FRONTIER COMMUNICATIONS OF LAMAR COUNTY, LLC
69	250311	OAKMAN TEL. CO., INC.
70	250312	OTELCO TELEPHONE LLC
71	250322	UNION SPRINGS TEL. CO.
72	260396	BALLARD RURAL TEL. COOP. CORP., INC.
73	260398	BRANDENBURG TEL. CO., INC.
74	260408	GEARHEART COMM. DBA COALFIELDS TEL. CO.
75	260412	LEWISPORT TEL. CO., INC.
76	260414	MOUNTAIN RURAL TEL. COOP. CORP., INC.
77	260417	SALEM TEL. CO.
78	260419	THACKER/GRIGSBY TEL. CO., INC.
79	270428	DELCAMBRE TEL. CO.
80	280451	DECATUR TEL. CO., INC.-MS
81	280460	FRONTIER COMM. OF MISSISSIPPI, INC.
82	280467	SMITHVILLE TEL. CO.
83	287449	MYRTLE TEL. CO., INC.
84	290553	BEN LOMAND RURAL TEL. COOP., INC.
85	290554	BLEDSOE TEL. COOP.
86	290565	HIGHLAND TEL. COOP., INC.-TN
87	290570	LORETTO TEL. CO., INC.
88	290598	WEST KENTUCKY RURAL TELEPHONE COOP. CORP.-TN
89	300585	ARCADIA TEL. CO.
90	300586	THE ARTHUR MUTUAL TEL. CO.
91	300588	AYERSVILLE TEL. CO.
92	300589	BASCOM MUTUAL TEL. CO.
93	300590	BENTON RIDGE TEL. CO.
94	300591	BUCKLAND TELEPHONE COMPANY
95	300604	COLUMBUS GROVE TEL. CO.
96	300609	DOYLESTOWN TEL. CO.
97	300614	FORT JENNINGS TEL. CO.
98	300619	GLANDORF TEL. CO., INC.

Appendix A  
2009 Average Schedule USF Study  
Study Area Code / Study Area Name

Obs	Study Area Code	Study Area Name
99	300625	KALIDA TEL. CO., INC.
100	300633	MIDDLE POINT HOME TEL. CO.
101	300634	MINFORD TEL. CO., INC.
102	300639	THE NEW KNOXVILLE TEL. CO.
103	300645	OAKWOOD TEL. CO.
104	300650	THE OTTOVILLE MUTUAL TEL. CO.
105	300651	PATTERSONVILLE TEL. CO.-OH
106	300654	RIDGEVILLE TEL. CO.
107	300656	SHERWOOD MUTUAL TEL. ASSOC.
108	300659	TELEPHONE SERVICE CO.
109	300662	VANLUE TEL. CO.
110	300663	VAUGHNSVILLE TEL. CO., INC.
111	300664	WABASH MUTUAL TEL. CO.
112	310669	ALLENDALE TEL. CO.
113	310675	BARAGA TELEPHONE COMPANY
114	310676	BARRY COUNTY TEL. CO.
115	310678	BLANCHARD TEL. ASSOC., INC.
116	310688	CLIMAX TEL. CO.
117	310692	DRENTHE TEL. CO.
118	310694	FARMERS MUT. OF CHAPIN DBA CHAPIN TEL. CO.
119	310703	KALEVA TEL. CO.
120	310725	SAND CREEK TEL. CO.
121	310735	WESTPHALIA TEL. CO.
122	320744	CAMDEN TEL. CO., INC.-IN
123	320750	FRONTIER COMM. OF INDIANA, INC.
124	320751	CITIZENS TEL. CORP.-WARREN
125	320756	CRAIGVILLE TEL. CO., INC.
126	320771	GEETINGSVILLE TEL. CO., INC.
127	320777	HOME TEL. CO. OF PITTSBORO, INC.
128	320778	HOME TEL. CO., INC.
129	320792	MULBERRY COOP. TEL. CO., INC.
130	320796	NEW LISBON TEL. CO., INC.
131	320809	COMM. CORP. OF SOUTHERN INDIANA
132	320816	S & W TEL. CO., INC.
133	320826	SWAYZEE TEL. CO., INC.
134	320827	SWEETSER RURAL TEL. CO., INC.
135	320829	TIPTON TEL. CO., INC.
136	320830	TRI-COUNTY TEL. CO., INC.-IN
137	320837	WEST POINT TEL. CO., INC.
138	320839	YEOMAN TEL. CO., INC.
139	330842	AMERY TELCOM, INC.
140	330843	AMHERST TEL. CO.
141	330846	BALDWIN TELCOM., INC.
142	330847	BELMONT TEL. CO.
143	330848	BERGEN TEL. CO.
144	330849	BLACK EARTH TEL. CO.
145	330851	BONDUEL TEL. CO.
146	330856	BURLINGTON BRIGHTON & WHEATLAND TEL.
147	330865	CLEAR LAKE TEL. CO., INC.-WI

Appendix A  
2009 Average Schedule USF Study  
Study Area Code / Study Area Name

Obs	Study Area Code	Study Area Name
148	330868	COON VALLEY FARMERS TEL. CO., INC.
149	330872	CUBA CITY TEL. EXCH. CO.
150	330875	DICKEYVILLE TEL. CO.
151	330879	FARMERS IND. TEL. CO.-WI
152	330880	FARMERS TEL. CO.-WI
153	330881	MID-PLAINS TEL., INC.
154	330889	HAGER TELECOM, INC.
155	330892	HILLSBORO TEL. CO., INC.
156	330896	LAKEFIELD TEL. CO.
157	330900	LEMONWEIR VALLEY TEL. CO.
158	330902	LUCK TEL. CO.
159	330905	MANAWA TEL. CO.
160	330914	EASTCOAST TELECOM, INC.
161	330915	MOSINEE TELEPHONE COMPANY, LLC
162	330925	BAYLAND TELEPHONE, LLC
163	330930	GRANTLAND TELECOM, INC.
164	330938	NORTHEAST TEL. CO.
165	330943	RIVERSIDE TELECOM, INC.
166	330944	FRONTIER COMM.-ST. CROIX LLC
167	330945	SCANDINAVIA TEL. CO.
168	330946	SHARON TEL. CO.
169	330951	SOMERSET TEL. CO., INC.
170	330955	THE STATE LONG DISTANCE TEL. CO.
171	330962	UNION TEL. CO.
172	330966	VERNON TEL. COOP.
173	330967	FRONTIER COMM. OF VIROQUA LLC
174	330968	WAUNAKEE TEL. CO.
175	330970	CENTURYTEL OF THE MIDWEST-WI/WAYSIDE
176	340976	ADAMS TEL. COOP.
177	340983	CAMBRIDGE TEL. CO.-IL
178	340990	CLARKSVILLE MUTUAL TEL. CO.
179	340993	CROSSVILLE TEL. CO.
180	340998	FRONTIER COMM. OF DEPUE, INC.
181	341016	GENESEO TEL. CO.
182	341017	GLASFORD TEL. CO.
183	341021	THE GRANDVIEW MUTUAL TEL. CO.
184	341024	HAMILTON COUNTY TELEPHONE CO-OP
185	341029	HENRY COUNTY TEL. CO.
186	341041	KINSMAN MUTUAL TEL. CO.
187	341046	LEONORE MUTUAL TEL. CO.
188	341050	MARSEILLES TEL. CO. OF MARS.
189	341053	METAMORA TEL. CO.
190	341062	NEW WINDSOR TEL. CO.
191	341075	REYNOLDS TEL. CO.
192	341086	TONICA TEL. CO.
193	341087	VIOLA HOME TEL. CO.
194	341092	STELLE TEL. CO.
195	351097	ANDREW TEL. CO., INC.
196	351098	ARCADIA TEL. COOP.

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Obs	Study Area Code	Study Area Name
197	351101	ATKINS TEL. CO.
198	351107	BALDWIN-NASHVILLE TEL. CO., INC.
199	351108	BARNES CITY COOP. TEL. CO.
200	351112	BREDA TEL. CORPORATION
201	351113	BROOKLYN MUTUAL TEL. CO.
202	351114	THE BURT TEL. CO.
203	351115	BUTLER-BREMER MUT. TEL. CO.
204	351118	CASCADE COMMUNICATIONS COMPANY
205	351119	CASEY MUTUAL TEL. CO.
206	351121	CENTER JUNCTION TEL. CO., INC.
207	351125	CENTRAL SCOTT TEL.
208	351126	CenturyTel of Chester, Inc.
209	351130	CLARENCE TEL. CO., INC.
210	351133	C-M-L TEL. COOP. ASSN.
211	351136	COON CREEK TEL. CO.
212	351137	COON VALLEY COOP. TEL. ASSN., INC.
213	351139	COOP. TEL. CO.
214	351141	CORN BELT TEL. CO.
215	351146	CUMBERLAND TEL. CO.
216	351147	DANVILLE MUT. TEL. CO.
217	351149	FARMERS MUTUAL COOPERATIVE TEL CO (DEFIANCE)
218	351150	DIXON TEL. CO.
219	351152	DUMONT TEL. CO.
220	351153	DUNKERTON TEL. COOP., INC.
221	351157	ELLSWORTH COOP. TEL. ASSN.
222	351160	F&B COMMUNICATIONS, INC.
223	351162	FARMERS COOP. TEL. CO.-DYSART
224	351166	FARMERS & MERCHANTS MUTUAL TEL. CO.
225	351168	FARMERS MUTUAL COOP TEL CO- HARLAN
226	351169	FARMERS MUTUAL COOP. TEL. CO.-MOULTON
227	351171	FARMERS MUTUAL TEL. CO.-JESUP
228	351173	FARMERS MUTUAL TEL. COOP.-SHELLSBURG
229	351174	FARMERS MUTUAL TEL. CO.-STANTON
230	351175	FARMERS TEL. CO.-BATAVIA
231	351176	FARMERS TEL. CO.-ESSEX
232	351177	FARMERS TEL. CO.-RICEVILLE
233	351179	FENTON COOP. TEL. CO.
234	351188	GOLDFIELD TEL. CO.
235	351189	RIVER VALLEY TELECOMMUNICATIONS COOP.
236	351191	GRAND MOUND COOP. TEL. ASSN.
237	351195	GRISWOLD COOP. TEL. CO.
238	351199	HAWKEYE TEL. CO.
239	351202	HOSPERS TEL. EXCHANGE, INC.
240	351203	HUBBARD COOP. TEL. ASSN.
241	351205	HUXLEY COMMUNICATIONS COOPERATIVE
242	351206	IAMO TEL. CO.-IA
243	351212	JEFFERSON TEL. CO.-IA
244	351213	JORDAN SOLDIER VALLEY TELEPHONE COMPANY
245	351217	KEYSTONE FRMS. COOP. TEL. CO.

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Obs	Study Area Code	Study Area Name
246	351220	LA PORTE CITY TEL. CO.
247	351222	LA MOTTE TEL. CO.
248	351225	LEHIGH VALLEY COOP. TEL. ASSN.
249	351228	LONE ROCK COOP. TEL. CO.
250	351230	NORTHEAST IOWA TEL. CO.
251	351232	LYNNVILLE TELEPHONE COMPANY
252	351235	FARMERS MUTUAL COOPERATIVE TEL CO (MANILLA)
253	351237	MARNE & ELK HORN TEL. CO.
254	351238	MARTELLE COOP. TEL. ASSN.
255	351239	MASSENA TEL. CO.
256	351241	MECHANICSVILLE TEL. CO.
257	351242	MILES COOP. TEL. ASSN.
258	351243	MILLER TEL. CO.-IA
259	351245	MINBURN TEL. CO.
260	351246	MINERVA VALLEY TEL. CO., INC.
261	351247	MODERN COOP. TEL. CO.
262	351248	MONTEZUMA MUTUAL TEL. CO.
263	351250	MUTUAL TEL. CO. OF MORNING SUN
264	351251	MEDIAPOLIS TEL. CO.
265	351252	MUTUAL TEL. CO.
266	351257	NORTH ENGLISH COOP. TEL. CO.
267	351259	NORTHERN IOWA TEL. CO.
268	351260	NORTHWEST IOWA TEL. CO., INC.
269	351261	NORTHWEST TEL. COOP.
270	351263	OGDEN TEL. CO.-IA
271	351264	OLIN TEL. CO., INC.
272	351265	ONSLOW COOP. TEL. ASSN.
273	351266	ORAN MUTUAL TEL. CO.
274	351269	PALO COOP. TEL. ASSN.
275	351270	PALMER MUTUAL TEL. CO.
276	351271	PANORA COMMUNICATIONS COOPERATIVE
277	351273	PEOPLES TEL. CO.-IA
278	351274	CENTURYTEL OF POSTVILLE, INC.
279	351275	PRAIRIEBURG TEL. CO., INC.
280	351276	PRESTON TEL. CO.
281	351277	RADCLIFFE TEL. CO., INC.
282	351278	READLYN TEL. CO.
283	351280	RINGSTED TEL. CO.
284	351282	ROCKWELL COOP. TEL. ASSN.
285	351283	ROYAL TEL. CO.
286	351284	RUTHVEN TEL. EXCH. CO.
287	351285	SAC COUNTY MUTUAL TEL. CO.
288	351291	SCHALLER TEL. CO.
289	351292	SEARSBORO TEL. CO.
290	351293	SHARON TEL. CO.
291	351294	SCRANTON TEL. CO.
292	351298	SOUTH SLOPE COOP. TEL. CO.
293	351301	SOUTHWEST TEL. EXCH., INC.
294	351302	SPRINGVILLE COOP. TEL. ASSN.

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Obs	Study Area Code	Study Area Name
295	351304	SWISHER TEL. CO.
296	351306	SULLY TEL. ASSOC.
297	351307	SUPERIOR TEL. COOP.
298	351308	TEMPLETON TEL. CO.
299	351309	TERRIL TELEPHONE COOPERATIVE
300	351310	TITONKA TEL. CO.
301	351319	VAN BUREN TEL. CO., INC.
302	351320	VAN HORNE COOP. TEL. CO.
303	351322	VENTURA TEL. CO., INC.
304	351324	VILLISCA FARMERS TEL. CO.
305	351326	WALNUT TEL. CO.
306	351328	WEBSTER-CALHOUN COOP. TEL. ASSN.
307	351329	WELLMAN COOP. TEL. ASSN.
308	351331	WEST IOWA TEL. CO.
309	351334	WESTERN IOWA TEL. ASSN.
310	351335	WESTSIDE INDP. TEL. CO.
311	351336	WILTON TEL. CO.
312	351342	WOOLSTOCK MUT. TEL. ASSN.
313	351343	WYOMING MUTUAL TEL. CO.
314	351344	PRAIRIE TEL. CO., INC.
315	351405	HILLS TEL. CO., INC.-IA
316	351424	MABEL COOP. TEL. CO.-IA
317	361347	ALBANY MUTUAL TEL. ASSN., INC.
318	361348	WILDERNESS VALLEY TELEPHONE COMPANY, INC.
319	361353	CITY OF BARNESVILLE TEL. CO.
320	361356	BENTON COOP. TEL. CO.
321	361358	BLUE EARTH VALLEY TEL. CO.
322	361365	CALLAWAY TEL. CO.
323	361372	CLEMENTS TEL. CO.
324	361373	CONSOLIDATED TEL. CO.-MN
325	361375	MID-COMMUNICATIONS, INC. dba HICKORYTECH
326	361380	DELAVAN TEL. CO.
327	361381	DUNNELL TEL. CO., INC.
328	361389	FARMERS MUTUAL TEL. CO.-BELLINGHAM
329	361390	FEDERATED TEL. COOP.
330	361396	GARDONVILLE COOP. TEL. ASSN.
331	361401	HALSTAD TEL. CO.
332	361403	FEDERATED TELEPHONE COOPERATIVE
333	361404	HARMONY TEL. CO.
334	361405	HILLS TEL. CO., INC.-MN
335	361408	HOME TEL. CO.-MN
336	361409	HUTCHINSON TELEPHONE COMPANY
337	361412	KASSON & MANTORVILLE TEL. CO.
338	361413	MID STATE TEL. CO. DBA KMP TEL. CO.
339	361419	LISMORE COOPERATIVE TELEPHONE CO.
340	361423	LOWRY TELEPHONE COMPANY, LLC
341	361424	MABEL COOPERATIVE TELEPHONE CO.- MN
342	361426	MANCHESTER-HARTLAND TELEPHONE CO.
343	361427	MANKATO CITIZENS TELEPHONE CO dba HICKORYTECH

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Obs	Study Area Code	Study Area Name
344	361430	MELROSE TELEPHONE COMPANY
345	361431	MIDWEST TEL. CO.
346	361439	MINNESOTA VALLEY TEL. CO. INC.
347	361440	CANNON VALLEY TELECOM, INC.
348	361443	LORETEL SYSTEMS, INC.
349	361448	OSAKIS TELEPHONE COMPANY
350	361450	PARK REGION MUTUAL TEL. CO.
351	361472	REDWOOD COUNTY TEL. CO.
352	361474	ROTHSAY TELEPHONE COMPANY INC.
353	361475	RUNESTONE TEL. ASSN.
354	361476	SACRED HEART TEL. CO.
355	361479	SCOTT RICE TEL. CO. dba INTEGRA TELECOM
356	361485	SPRING GROVE COMMUNICATIONS
357	361487	STARBUCK TEL. CO.
358	361494	UPSALA COOPERATIVE TELEPHONE ASSN.
359	361495	VALLEY TEL. CO.-MN
360	361499	CROSSLAKE TELEPHONE COMPANY
361	361500	NORTHERN TELEPHONE COMPANY OF MN
362	361502	WESTERN TELEPHONE COMPANY
363	361505	WIKSTROM TELEPHONE COMPANY INC.
364	361507	WINSTED TELEPHONE COMPANY
365	361508	WINTHROP TEL. CO.
366	361512	WOLVERTON TELEPHONE COMPANY
367	361515	ZUMBROTA TELEPHONE COMPANY
368	361654	INTERSTATE TELECOMMUNICATIONS COOP., INC.-MN
369	371530	CONSOLIDATED TELCO, INC.
370	371555	HAMILTON TELEPHONE COMPANY
371	371562	CONSOLIDATED TELECOM, INC.
372	371563	HOOPER TELEPHONE COMPANY
373	371581	PIERCE TELEPHONE COMPANY
374	371590	SODTOWN TEL. CO.
375	381509	WOLVERTON TEL. CO.
376	381601	ABSARAKA COOP TELEPHONE CO.
377	381614	POLAR COMMUNICATIONS MUTUAL AID CORP (A)
378	381615	GRIGGS COUNTY TELEPHONE COMPANY
379	381622	MOORE & LIBERTY TELEPHONE COMPANY
380	381625	NORTHWEST COMMUNICATIONS COOPERATIVE
381	381638	MIDSTATE COMMUNICATIONS INC.
382	383303	SRT COMMUNICATIONS, INC.
383	391640	ARMOUR INDEP TEL. CO. DBA GOLDEN WEST TELECOM
384	391642	ALLIANCE COMMUNICATIONS COOP., INC. (BALTIC)
385	391649	BERESFORD MUNICIPAL TEL. CO.
386	391650	CITY OF BROOKINGS MUNICIPAL TEL. DEPT.
387	391653	CITY OF FAITH MUNICIPAL TEL CO
388	391654	INTERSTATE TELECOMMUNICATIONS COOP., INC.
389	391657	ALLIANCE COMMUNICATIONS COOP. INC (SPLITROCK)
390	391660	FORT RANDALL TEL. CO. DBA MT. RUSHMORE TEL CO
391	391664	JAMES VALLEY COOPERATIVE TEL CO
392	391669	MCCOOK COOPERATIVE TELEPHONE CO.

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Obs	Study Area Code	Study Area Name
393	391671	WEST RIVER TELECOMMUNICATIONS COOP.(MOBRIDGE)
394	391677	SIOUX VALLEY TEL CO DBA GOLDEN WEST TELECOM
395	391682	TRI-COUNTY TELCOM, INC.
396	391684	UNION TELEPHONE CO DBA GOLDEN WEST TELECOM
397	391688	WESTERN TELEPHONE COMPANY
398	401710	MAGAZINE TELEPHONE COMPANY
399	401712	MOUNTAIN VIEW TELEPHONE COMPANY
400	401722	E. RITTER TELEPHONE COMPANY
401	421206	IAMO TELEPHONE COMPANY - MO
402	421759	CRAW-KAN TELEPHONE COOP INC - MO
403	421876	FARBER TELEPHONE COMPANY
404	421893	CHOCTAW TELEPHONE COMPANY
405	421900	KLM TEL. CO.
406	421932	LATHROP TELEPHONE COMPANY
407	421936	PEACE VALLEY TELEPHONE CO.
408	421942	ROCK PORT TEL. CO.
409	431968	BEGGS TELEPHONE COMPANY
410	432141	SANTA ROSA TELEPHONE COOP. INC.
411	442043	NORTH TEXAS TELEPHONE COMPANY
412	442107	LIVINGSTON TELEPHONE COMPANY
413	462198	PINE DRIVE TEL. CO.
414	462206	STONEHAM COOPERATIVE TEL. CO.
415	462210	WILLARD TEL. CO.
416	472227	MUD LAKE TELEPHONE COOPERATIVE ASSN. INC.
417	482252	RONAN TEL. CO.
418	502279	GUNNISON TEL. CO.
419	502282	MANTI TELEPHONE COMPANY
420	502283	SKYLINE TELECOM
421	522430	MCDANIEL TELEPHONE COMPANY
422	532386	MT. ANGEL TELEPHONE COMPANY
423	532396	ST. PAUL COOP. TEL. ASSN.
424	613005	CIRCLE UTILITIES
425	613026	NORTH COUNTRY TELEPHONE COMPANY

**Appendix B**  
**2009 Average Schedule USF Study**  
**Sample Average Schedule Study Areas**  
**Underlying data - Cost per Loop Calculation**

Study Area Code	Actual USF Loop Count	Exchange Count	Sample Weight	Actual Cost per Loop
100019	6001	6	1.5000	386.11
100020	6112	3	1.0000	346.39
100020	6112	3	1.0000	346.39
120042	440	1	1.5310	157.19
120043	1646	1	0.5000	443.83
170151	19133	2	1.0000	304.33
170161	264473	79	1.0000	311.88
170161	264473	79	1.0000	311.88
170162	48740	10	1.0000	284.79
170162	48740	10	1.0000	284.79
170175	4860	1	1.0000	404.99
170193	58162	8	1.0000	307.57
170196	10260	4	1.0000	334.16
170200	2134	1	4.4315	261.16
190220	162	1	1.0000	416.04
190225	7106	5	1.0000	520.72
190226	29647	4	1.0000	355.45
190236	1005	1	2.5000	495.31
190248	6185	6	1.0000	749.36
190250	23981	9	1.0000	435.31
190253	2088	1	1.0000	498.71
200258	1377	1	0.5000	491.10
200258	1377	1	1.0000	491.10
220380	5235	6	2.5000	542.45
220387	17535	2	1.0000	332.86
220387	17535	2	1.0000	332.86
220389	6183	3	3.4598	439.24
230491	95740	3	1.0000	453.85
230497	2860	2	1.0000	510.03
230500	1194	1	2.5762	538.95
230501	33189	12	1.0000	440.01
240515	4782	1	2.5000	730.24
240535	736	1	7.7786	620.35
240536	13139	6	1.0000	783.18
240536	13139	6	3.1295	783.18
240546	15565	7	1.0000	413.00
250283	10627	3	1.0000	309.58
250283	10627	3	1.0000	309.58
250285	931	1	1.0000	716.76
250285	931	1	2.6329	716.76
250301	2002	2	1.0000	500.93
250322	4275	4	1.0000	810.93
260396	5702	7	2.5000	477.30
260398	23671	8	1.0000	316.29
260408	6249	3	1.0000	506.25
260408	6249	3	2.5000	506.25

**Appendix B**  
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Study Area Code	Actual USF Loop Count	Exchange Count	Sample Weight	Actual Cost per Loop
260412	1276	1	2.5000	465.02
260414	15336	7	1.5000	667.58
260419	7551	6	1.0000	427.89
270428	1185	1	3.0000	548.40
280460	5437	4	4.8566	432.40
290554	12048	5	1.0000	629.07
290565	24530	10	1.0000	528.62
290570	5404	5	1.0000	598.63
300586	1185	1	6.3289	303.61
300588	1025	1	1.0000	590.73
300590	1077	3	1.0000	602.02
300594	9291	2	1.0000	488.57
300609	3396	1	1.0000	435.67
300614	790	1	6.9802	587.96
300619	1056	1	2.5000	458.14
300633	610	1	1.0000	594.21
300650	1374	2	4.4213	310.68
300654	724	1	2.6798	515.12
300659	8036	2	1.0000	465.23
310669	4560	1	1.0000	524.00
310675	4589	4	1.0000	531.92
310688	1465	1	1.0000	433.86
310735	1068	1	1.0000	490.68
320751	2258	2	2.5993	654.18
320792	2638	1	1.0000	661.05
320792	2638	1	2.5000	661.05
320809	1681	3	3.2389	499.58
320826	947	1	2.5000	654.73
320827	1609	1	2.5000	653.07
320830	2979	4	1.0000	583.79
330842	6206	3	1.0000	423.80
330848	193	2	1.0000	1288.00
330849	1335	1	2.5000	538.63
330865	1511	1	2.5000	484.76
330868	2220	3	2.7563	531.89
330881	29691	2	1.0000	406.74
330896	1575	2	3.6307	548.81
330900	3057	2	1.0000	679.86
330915	4746	1	2.5000	521.22
330938	8308	4	2.5029	309.03
330951	2741	1	1.0000	278.69
330955	9352	1	1.0000	453.77
330962	4271	4	1.0000	568.18
330966	6969	8	5.2930	470.83
330967	3682	1	1.0000	243.03
330968	6933	1	1.0000	433.72

**Appendix B**  
**2009 Average Schedule USF Study**  
**Sample Average Schedule Study Areas**  
**Underlying data - Cost per Loop Calculation**

Study Area Code	Actual USF Loop Count	Exchange Count	Sample Weight	Actual Cost per Loop
340976	3788	13	1.0000	634.59
341016	6922	2	1.0000	485.34
341024	2089	7	2.9005	701.12
351101	893	1	1.0000	773.26
351108	152	1	2.5000	386.71
351108	152	1	8.5879	386.71
351113	1441	1	2.8647	332.89
351113	1441	1	5.8678	332.89
351118	1806	2	1.0000	542.77
351119	400	1	4.9462	435.24
351136	598	1	1.0000	353.76
351139	1409	4	3.7143	598.05
351139	1409	4	4.4087	598.05
351150	560	1	1.0000	1098.99
351162	1226	2	3.1293	549.93
351173	2305	4	1.0000	563.01
351188	518	1	1.0000	640.70
351189	869	2	3.6808	337.93
351195	1810	4	1.0000	613.84
351199	433	1	4.1068	431.29
351222	704	1	5.7848	508.76
351228	247	1	4.0164	513.75
351230	1837	3	3.9500	362.85
351237	1401	4	2.5111	520.11
351242	692	1	3.3171	504.22
351243	88	1	1.0000	592.75
351252	4319	1	1.0000	477.38
351259	2191	7	1.0000	778.58
351265	198	1	8.8544	671.68
351269	538	1	1.0000	498.34
351274	1618	1	1.0000	333.95
351274	1618	1	1.0000	333.95
351277	452	1	3.6304	677.94
351278	848	1	3.4404	642.82
351283	407	1	1.0000	979.73
351291	1739	4	2.5000	679.99
351292	191	1	1.0000	1483.82
351292	191	1	1.0000	1483.82
351293	1065	2	4.1220	696.54
351293	1065	2	5.0543	696.54
351298	12979	6	1.0000	419.88
351302	1102	1	2.5000	493.90
351303	585	2	5.7389	443.97
351307	200	1	9.9968	988.49
351309	496	1	1.0000	498.88
351309	496	1	1.0000	498.88

**Appendix B**  
**2009 Average Schedule USF Study**  
**Sample Average Schedule Study Areas**  
**Underlying data - Cost per Loop Calculation**

Study Area Code	Actual USF Loop Count	Exchange Count	Sample Weight	Actual Cost per Loop
351322	462	1	3.1856	464.24
351336	1738	1	2.5000	393.15
361347	3368	3	6.0259	472.95
361348	74	1	2.5000	928.19
361353	1120	1	2.5000	281.28
361358	6391	7	1.0000	481.88
361358	6391	7	1.0000	481.88
361365	285	1	3.0284	559.83
361384	244	1	1.0000	521.68
361390	2194	7	1.0000	965.31
361409	10775	1	1.0000	454.02
361412	4255	3	1.0000	458.58
361413	1793	4	1.0000	2134.62
361424	724	2	4.6130	594.71
361431	2606	4	2.6693	428.48
361479	16464	3	1.0000	410.70
361485	1223	2	3.5423	438.30
361495	754	2	1.0000	601.98
361495	754	2	1.0000	601.98
361505	6005	18	1.0000	794.40
361505	6005	18	1.5000	794.40
361515	2057	1	4.9082	406.00
371530	1477	5	0.5000	701.25
371530	1477	5	1.0000	701.25
371555	5518	9	3.0000	469.14
371562	1104	3	1.0000	938.23
371562	1104	3	1.5805	938.23
371565	584	2	1.0000	977.86
371581	1674	2	1.0000	487.99
371581	1674	2	3.0000	487.99
371590	79	1	1.2500	516.01
381614	2009	6	1.0000	339.47
381614	2009	6	4.5874	339.47
381622	915	2	2.9154	576.98
381625	5555	16	1.0000	678.39
381631	4581	13	1.0000	877.69
391640	1481	3	3.0000	172.17
391649	1416	1	1.2500	390.08
391650	11866	1	1.0000	393.88
391660	6129	8	1.0000	511.36
391669	2077	6	1.0000	641.63
391671	2337	1	1.0000	443.75
391677	4826	5	0.5000	485.55
391677	4826	5	1.0000	485.55
391682	400	2	1.0000	862.28
401710	994	2	1.0000	536.67

**Appendix B**  
**2009 Average Schedule USF Study**  
**Sample Average Schedule Study Areas**  
**Underlying data - Cost per Loop Calculation**

Study Area Code	Actual USF Loop Count	Exchange Count	Sample Weight	Actual Cost per Loop
401722	3844	8	1.0000	458.03
421759	2417	6	2.5021	712.36
421936	510	1	3.1100	627.74
421942	1653	3	3.9982	570.31
431704	1154	1	1.0000	711.80
432141	746	3	1.0000	618.59
432141	746	3	3.0000	618.59
442043	729	2	1.0000	610.04
442107	7131	1	0.5000	453.96
462198	898	1	1.0000	791.21
462206	71	1	3.0000	510.59
462210	60	1	1.0000	921.82
472227	1360	5	1.0000	476.30
472227	1360	5	1.5044	476.30
502279	1582	1	2.5000	416.55
502282	3004	2	3.5787	437.17
502283	2449	5	2.7364	603.58
522430	4151	3	1.0000	416.04
522430	4151	3	3.0000	416.04
613005	43	1	1.0000	1445.80
613026	181	1	1.0000	432.42

**Appendix C**  
**2009 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
1	100005	655	1	655	1,249	541.70	2,395	1.97	91.75
2	100015	9389	7	1341	9,913	505.33	15,831	0.75	59.70
3	100019	5638	6	940	8,658	521.38	14,408	1.14	66.41
4	100020	5458	3	1819	2,219	486.21	3,550	0.30	59.98
5	100022	7191	3	2397	0	463.08	0	0.00	0.00
6	120042	469	1	469	2,471	586.00	2,840	0.80	14.93
7	120043	1686	1	1686	1,256	491.53	1,582	0.21	25.96
8	140053	866	1	866	1,367	524.34	2,352	1.17	72.06
9	140064	3580	6	597	11,417	555.52	15,769	1.28	38.12
10	150076	1142	1	1142	1,488	513.30	2,419	0.90	62.57
11	150125	7268	2	3634	0	426.11	0	0.00	0.00
12	170145	2635	1	2635	0	453.55	0	0.00	0.00
13	170151	18731	2	9366	0	337.64	0	0.00	0.00
14	170156	4184	1	4184	0	414.96	0	0.00	0.00
15	170161	258766	79	3276	0	337.64	0	0.00	0.00
16	170162	48685	10	4869	0	401.08	0	0.00	0.00
17	170165	50930	6	8488	0	337.64	0	0.00	0.00
18	170171	1287	1	1287	1,475	507.50	2,321	0.71	57.36
19	170175	4821	1	4821	0	402.06	0	0.00	0.00
20	170179	5380	2	2690	0	451.35	0	0.00	0.00
21	170191	11203	8	1400	11,549	502.97	17,457	0.56	51.16
22	170193	56124	8	7016	0	337.64	0	0.00	0.00
23	170195	478	1	478	2,440	583.86	2,839	0.90	16.35
24	170196	9466	4	2367	0	464.28	0	0.00	0.00
25	170197	1352	1	1352	1,471	504.89	2,247	0.59	52.75
26	170200	2091	1	2091	468	475.32	127	-0.15	-72.86
27	170204	2626	2	1313	2,938	506.45	4,587	0.68	56.13
28	170210	1311	1	1311	1,479	506.53	2,296	0.64	55.24
29	170215	817	1	817	1,339	526.30	2,306	1.24	72.22
30	170277	40	1	40	502	688.18	487	-0.38	-2.99
31	190220	175	1	175	1,727	656.03	1,778	-0.12	2.95
32	190225	7141	5	1428	7,203	501.85	10,694	0.51	48.47
33	190226	29604	4	7401	0	349.78	0	0.00	0.00
34	190236	1023	1	1023	1,459	518.06	2,430	1.00	66.55
35	190237	1384	3	461	7,429	587.91	8,524	0.86	14.74
36	190238	1614	5	323	12,187	620.78	12,845	0.48	5.40
37	190239	862	1	862	1,379	524.50	2,349	1.20	70.34
38	190243	2750	2	1375	2,916	503.97	4,434	0.58	52.06
39	190250	24542	9	2727	0	449.87	0	0.00	0.00
40	190253	2098	1	2098	612	475.04	95	-0.23	-84.48
41	200258	1422	1	1422	1,460	502.09	2,148	0.47	47.12
42	220324	3389	1	3389	0	431.07	0	0.00	0.00
43	220364	6609	4	1652	5,084	492.89	6,690	0.27	31.59
44	220380	5214	6	869	8,297	524.22	14,126	1.18	70.25
45	220387	16695	2	8348	0	337.64	0	0.00	0.00
46	220389	6354	3	2118	2,207	474.24	13	-0.35	-99.41
47	220395	3945	3	1315	4,413	506.37	6,874	0.67	55.77
48	230478	2061	1	2061	610	476.52	259	-0.15	-57.54
49	230491	92834	3	30945	0	337.64	0	0.00	0.00
50	230494	1673	1	1673	1,150	492.05	1,617	0.34	40.61
51	230495	4160	1	4160	0	415.45	0	0.00	0.00
52	230496	9292	7	1327	10,266	505.89	15,949	0.66	55.36
53	230497	2868	2	1434	2,825	501.61	4,258	0.55	50.73
54	230500	1072	1	1072	1,482	516.10	2,433	0.99	64.17

**Appendix C**  
**2009 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
55	230501	34666	12	2889	0	443.39	0	0.00	0.00
56	230503	13856	6	2309	1,471	466.60	0	-0.10	-100.00
57	230505	3125	3	1042	4,431	517.30	7,295	1.03	64.64
58	230511	28260	10	2826	0	445.91	0	0.00	0.00
59	240515	4725	1	4725	0	404.00	0	0.00	0.00
60	240516	14702	3	4901	0	400.43	0	0.00	0.00
61	240532	523	1	523	1,997	573.14	2,803	1.99	40.36
62	240535	706	1	706	1,265	530.74	2,162	1.39	70.91
63	240536	13020	6	2170	2,319	472.16	0	-0.17	-100.00
64	240541	2090	1	2090	654	475.36	131	-0.24	-79.97
65	240546	15836	7	2262	2,223	468.48	0	-0.14	-100.00
66	250283	10588	3	3529	0	428.23	0	0.00	0.00
67	250285	894	1	894	1,412	523.22	2,374	1.18	68.13
68	250301	2010	2	1005	2,877	518.78	4,853	0.99	68.68
69	250311	2112	4	528	8,709	571.95	11,182	1.39	28.40
70	250312	6934	1	6934	0	359.24	0	0.00	0.00
71	250322	4168	4	1042	5,883	517.30	9,730	1.00	65.39
72	260396	5767	7	824	9,353	526.02	16,187	1.22	73.07
73	260398	23252	8	2907	0	442.67	0	0.00	0.00
74	260408	6157	3	2052	2,141	476.88	893	-0.19	-58.29
75	260412	1274	1	1274	1,482	508.02	2,334	0.70	57.49
76	260414	15851	7	2264	2,395	468.40	0	-0.15	-100.00
77	260417	1947	1	1947	841	481.09	726	-0.04	-13.67
78	260419	7394	6	1232	8,921	509.70	14,217	0.76	59.37
79	270428	1099	1	1099	1,488	515.02	2,430	1.02	63.31
80	280451	1659	1	1659	1,205	492.61	1,654	0.32	37.26
81	280460	5123	4	1281	5,915	507.74	9,307	0.70	57.35
82	280467	829	1	829	1,393	525.82	2,318	1.29	66.40
83	287449	680	1	680	1,265	535.75	2,267	1.66	79.21
84	290553	33156	17	1950	15,413	480.97	12,154	-0.08	-21.14
85	290554	12053	5	2411	0	462.52	0	0.00	0.00
86	290565	24576	10	2458	0	460.64	0	0.00	0.00
87	290570	5309	5	1062	7,382	516.50	12,164	0.98	64.78
88	290598	1463	4	366	10,116	610.54	10,804	0.85	6.80
89	300585	589	1	589	1,448	557.42	2,655	2.35	83.36
90	300586	1128	1	1128	1,487	513.86	2,423	0.93	62.95
91	300588	1038	1	1038	1,466	517.46	2,432	0.99	65.89
92	300589	678	1	678	1,217	536.22	2,278	1.62	87.18
93	300590	1077	3	359	7,528	612.20	8,050	0.64	6.93
94	300591	552	1	717	979	530.30	1,677	1.36	71.30
95	300604	1405	1	1405	1,301	502.77	2,174	0.77	67.10
96	300609	3148	1	3148	0	435.95	0	0.00	0.00
97	300614	812	1	812	1,323	526.50	2,300	1.23	73.85
98	300619	1130	1	1130	1,473	513.78	2,423	0.82	64.49
99	300625	1502	1	1502	1,399	498.89	2,009	0.43	43.60
100	300633	614	1	614	1,701	551.47	2,570	1.52	51.09
101	300634	3026	1	3026	0	438.42	0	0.00	0.00
102	300639	1202	1	1202	1,486	510.90	2,389	0.83	60.77
103	300645	1115	1	1115	1,482	514.38	2,427	0.89	63.77
104	300650	1408	2	704	2,500	530.82	4,318	1.38	72.72
105	300651	385	1	385	2,532	606.01	2,749	0.76	8.57
106	300654	718	1	718	1,230	530.26	2,180	1.33	77.24
107	300656	1267	1	1267	1,486	508.30	2,340	0.69	57.47
108	300659	7913	2	3957	0	419.56	0	0.00	0.00

**Appendix C**  
**2009 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
109	300662	656	1	656	1,214	541.46	2,390	1.92	96.87
110	300663	238	1	308	1,996	624.35	1,947	0.79	-2.45
111	300664	942	1	942	1,406	521.30	2,403	1.06	70.91
112	310669	4466	1	4466	0	409.25	0	0.00	0.00
113	310675	4638	4	1160	5,941	512.58	9,641	0.83	62.28
114	310676	6619	4	1655	3,851	492.77	6,657	0.34	72.86
115	310678	1281	1	1281	1,475	507.74	2,327	0.72	57.76
116	310688	1295	1	1295	1,481	507.18	2,313	0.67	56.18
117	310692	686	1	686	1,237	534.32	2,234	1.56	80.60
118	310694	629	1	629	1,481	547.89	2,511	1.77	69.55
119	310703	1880	4	508	8,449	576.71	10,439	1.42	23.55
120	310725	1056	1	1056	1,451	516.74	2,433	0.91	67.68
121	310735	1018	1	1018	1,451	518.26	2,429	0.99	67.40
122	320744	1525	3	508	6,882	576.71	8,468	1.23	23.05
123	320750	1942	1	1942	801	481.29	746	0.00	-6.87
124	320751	2233	2	1117	2,971	514.30	4,850	0.92	63.24
125	320756	1017	1	1017	1,458	518.30	2,429	1.01	66.60
126	320771	468	1	468	2,423	586.24	2,840	1.13	17.21
127	320777	2328	1	2328	0	465.84	0	0.00	0.00
128	320778	1885	1	1885	880	483.57	957	0.07	8.75
129	320792	2670	1	2673	0	452.03	0	0.00	0.00
130	320796	766	1	766	1,392	528.34	2,246	1.42	61.35
131	320809	1558	3	519	6,442	574.09	8,430	1.61	30.86
132	320816	380	1	380	2,532	607.20	2,738	0.89	8.14
133	320826	911	1	911	1,420	522.54	2,385	1.16	67.96
134	320827	1564	1	1564	1,274	496.41	1,881	0.46	47.65
135	320829	4001	1	4001	0	418.67	0	0.00	0.00
136	320830	2924	4	731	5,097	529.74	8,796	1.35	72.57
137	320837	736	1	736	1,263	529.54	2,206	1.33	74.66
138	320839	847	1	847	1,395	525.10	2,335	1.25	67.38
139	330842	6173	3	2058	1,830	476.64	815	-0.15	-55.46
140	330843	4715	3	1572	4,042	496.09	5,590	0.35	38.30
141	330846	4088	2	2044	1,371	477.20	664	-0.16	-51.57
142	330847	807	1	807	1,341	526.70	2,295	1.26	71.14
143	330848	183	2	92	2,297	675.80	2,086	-0.09	-9.19
144	330849	1352	1	1352	1,466	504.89	2,247	0.60	53.27
145	330851	1752	1	1752	1,056	488.89	1,394	0.24	32.01
146	330856	3232	2	1616	2,536	494.33	3,524	0.35	38.96
147	330865	1529	1	1529	1,372	497.81	1,955	0.41	42.49
148	330868	2267	3	756	3,844	528.74	6,697	1.30	74.22
149	330872	1567	1	1567	1,345	496.29	1,875	0.37	39.41
150	330875	1159	1	1159	1,485	512.62	2,412	0.82	62.42
151	330879	3503	3	1168	4,453	512.26	7,221	0.80	62.16
152	330880	5937	4	1484	5,636	499.61	8,171	0.45	44.98
153	330881	30430	2	15215	0	337.64	0	0.00	0.00
154	330889	1913	2	957	2,845	520.70	4,818	1.06	69.35
155	330892	1594	1	1594	1,345	495.21	1,814	0.31	34.87
156	330896	1601	2	801	2,632	526.94	4,573	1.24	73.75
157	330900	3083	2	1542	2,725	497.29	3,856	0.40	41.50
158	330902	2170	2	1085	2,960	515.58	4,864	0.95	64.32
159	330905	2472	2	1236	2,973	509.54	4,732	0.75	59.17
160	330914	5185	5	1037	7,380	517.50	12,160	1.03	64.77
161	330915	4767	1	4767	0	403.15	0	0.00	0.00
162	330925	2245	1	2245	313	469.16	0	-0.13	-100.00

**Appendix C**  
**2009 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
163	330930	3526	5	705	6,191	530.78	10,806	1.37	74.54
164	330938	8099	4	2025	2,714	477.96	1,648	-0.11	-39.28
165	330943	3091	2	1546	2,499	497.13	3,839	0.52	53.62
166	330944	8580	2	4290	0	412.81	0	0.00	0.00
167	330945	2336	2	1168	2,972	512.26	4,816	0.89	62.05
168	330946	1010	2	505	4,588	577.43	5,647	1.27	23.08
169	330951	2768	1	2768	0	448.23	0	0.00	0.00
170	330955	9234	1	9234	0	337.64	0	0.00	0.00
171	330962	4347	4	1087	5,908	515.50	9,724	0.93	64.59
172	330966	6857	8	857	11,208	524.70	18,756	1.24	67.34
173	330967	3676	1	3676	0	425.25	0	0.00	0.00
174	330968	6841	1	6841	0	361.13	0	0.00	0.00
175	330970	5544	5	1109	7,432	514.62	12,137	0.94	63.31
176	340976	3818	13	294	31,104	627.68	32,032	0.52	2.98
177	340983	1166	2	663	2,368	539.80	4,143	1.92	74.96
178	340990	271	1	271	2,354	633.16	2,366	0.61	0.51
179	340993	499	1	499	2,278	578.86	2,829	1.41	24.19
180	340998	492	1	492	2,290	580.52	2,833	1.45	23.71
181	341016	6583	2	3292	0	433.03	0	0.00	0.00
182	341017	1125	1	1125	1,484	513.98	2,424	0.89	63.34
183	341021	97	1	97	1,129	674.60	1,098	-0.20	-2.75
184	341024	2029	7	290	16,815	628.64	17,144	0.63	1.96
185	341029	1274	2	637	2,645	545.99	4,954	1.96	87.30
186	341041	89	1	89	1,029	676.51	1,018	-0.25	-1.07
187	341046	146	1	146	1,697	662.93	1,547	0.25	-8.84
188	341050	2876	1	2876	0	443.91	0	0.00	0.00
189	341053	3464	2	1732	2,240	489.69	2,906	0.23	29.73
190	341062	536	1	536	2,170	570.05	2,783	1.32	28.25
191	341075	471	1	471	2,445	585.53	2,840	0.96	16.16
192	341086	460	1	460	2,338	588.15	2,839	1.67	21.43
193	341087	618	1	618	1,785	550.51	2,554	1.29	43.08
194	341092	81	1	81	1,019	678.42	936	-0.16	-8.15
195	351097	329	1	329	2,459	619.35	2,589	0.57	5.29
196	351098	328	1	328	2,468	619.59	2,586	0.65	4.78
197	351101	909	1	909	1,392	522.62	2,384	1.11	71.26
198	351107	306	1	306	2,422	624.83	2,513	0.57	3.76
199	351108	142	1	142	1,660	663.89	1,513	0.21	-8.86
200	351112	1057	3	352	7,517	613.87	7,997	0.68	6.39
201	351113	1457	1	1457	1,421	500.69	2,090	0.49	47.08
202	351114	388	1	388	2,532	605.30	2,755	0.98	8.81
203	351115	2040	4	645	4,546	544.08	7,722	1.81	69.86
204	351118	1773	2	887	2,773	523.50	4,734	1.15	70.72
205	351119	380	1	380	2,533	607.20	2,738	0.98	8.09
206	351121	127	1	127	1,492	667.46	1,381	0.06	-7.44
207	351125	5150	3	1717	3,316	490.29	4,488	0.28	35.34
208	351126	170	2	85	2,067	677.46	1,955	-0.18	-5.42
209	351130	684	1	684	1,230	534.79	2,245	1.58	82.52
210	351133	753	4	188	7,500	652.93	7,506	0.06	0.08
211	351136	582	1	582	1,908	559.09	2,676	1.46	40.25
212	351137	581	2	291	4,720	628.40	4,901	0.35	3.83
213	351139	1396	4	349	10,003	614.58	10,615	0.71	6.12
214	351141	751	1	751	1,272	528.94	2,227	1.30	75.08
215	351146	336	1	336	2,479	617.68	2,611	0.63	5.32
216	351147	860	1	860	1,386	524.58	2,347	1.21	69.34

**Appendix C**  
**2009 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
217	351149	252	1	252	2,253	637.69	2,272	0.38	0.84
218	351150	564	1	564	2,075	563.38	2,724	1.25	31.28
219	351152	1351	2	676	2,457	536.70	4,574	1.68	86.16
220	351153	679	1	679	1,240	535.99	2,273	1.65	83.31
221	351157	685	2	343	4,976	616.01	5,262	0.61	5.75
222	351160	1001	2	501	4,636	578.38	5,649	1.22	21.85
223	351162	1237	2	619	3,357	550.28	5,098	1.50	51.86
224	351166	808	1	808	1,331	526.66	2,296	1.25	72.50
225	351168	1761	7	252	15,674	637.69	15,876	0.31	1.29
226	351169	476	1	476	2,420	584.34	2,840	1.05	17.36
227	351171	1920	1	1920	1,002	482.17	829	-0.08	-17.27
228	351173	2380	4	595	7,678	555.99	10,544	1.26	37.33
229	351174	1042	3	347	7,492	615.06	7,950	0.65	6.11
230	351175	366	1	366	2,521	610.54	2,703	0.72	7.22
231	351176	547	1	547	1,838	567.43	2,762	2.08	50.27
232	351177	1485	4	371	10,105	609.34	10,870	0.73	7.57
233	351179	304	1	304	2,430	625.30	2,505	0.67	3.09
234	351188	526	1	526	2,250	572.43	2,799	1.17	24.40
235	351189	857	2	429	5,019	595.53	5,632	0.90	12.21
236	351191	529	1	529	2,258	571.71	2,794	1.10	23.74
237	351195	1823	4	456	9,810	589.10	11,346	1.09	15.66
238	351199	426	1	426	2,495	596.24	2,816	1.14	12.87
239	351202	676	1	676	1,214	536.70	2,288	1.67	88.47
240	351203	762	1	762	1,285	528.50	2,241	1.29	74.40
241	351205	1474	2	737	2,540	529.50	4,415	1.33	73.82
242	351206	345	2	173	3,682	656.50	3,516	0.21	-4.51
243	351212	3268	1	3268	0	433.52	0	0.00	0.00
244	351213	295	1	295	2,424	627.45	2,471	0.75	1.94
245	351217	918	3	306	7,258	624.83	7,538	0.57	3.86
246	351220	1582	2	791	2,727	527.34	4,553	1.33	66.96
247	351222	720	1	720	1,288	530.18	2,183	1.39	69.49
248	351225	1633	4	408	10,041	600.53	11,174	1.16	11.28
249	351228	249	1	249	2,220	638.40	2,256	0.29	1.62
250	351230	1853	3	618	5,296	550.51	7,659	1.33	44.62
251	351232	521	1	521	2,282	573.62	2,806	1.11	22.96
252	351235	604	1	604	1,914	553.85	2,606	1.16	36.15
253	351237	1441	4	360	10,044	611.96	10,753	0.62	7.06
254	351238	303	1	303	2,366	625.54	2,502	0.21	5.75
255	351239	582	2	291	4,805	628.40	4,909	0.63	2.16
256	351241	743	1	743	1,260	529.26	2,216	1.31	75.87
257	351242	709	1	709	1,247	530.62	2,167	1.37	73.78
258	351243	81	1	81	1,009	678.42	936	-0.18	-7.23
259	351245	365	1	365	2,529	610.77	2,700	0.93	6.76
260	351246	728	2	364	5,030	611.01	5,395	0.65	7.26
261	351247	868	4	217	8,387	646.02	8,277	0.32	-1.31
262	351248	1836	2	918	2,850	522.26	4,779	1.15	67.68
263	351250	570	1	570	1,974	561.95	2,709	1.45	37.23
264	351251	1957	3	652	4,469	542.42	7,231	1.46	61.80
265	351252	4472	1	4472	0	409.13	0	0.00	0.00
266	351257	798	1	798	1,337	527.06	2,285	1.28	70.91
267	351259	2226	7	318	17,114	621.97	17,881	0.60	4.48
268	351260	4473	3	1491	4,116	499.33	6,088	0.49	47.91
269	351261	1176	4	294	9,600	627.68	9,866	0.57	2.77
270	351263	1653	1	1653	1,249	492.85	1,670	0.29	33.71

**Appendix C**  
**2009 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
271	351264	651	2	326	4,927	620.06	5,152	0.65	4.57
272	351265	197	1	197	2,008	650.79	1,937	0.32	-3.54
273	351266	244	1	244	2,202	639.59	2,229	0.29	1.23
274	351269	480	1	480	2,179	583.38	2,839	2.01	30.29
275	351270	268	1	268	2,319	633.88	2,352	0.46	1.42
276	351271	1857	1	1857	1,003	484.69	1,055	0.05	5.18
277	351273	770	1	770	1,289	528.18	2,251	1.28	74.63
278	351274	1476	1	1476	1,293	499.93	2,057	0.63	59.09
279	351275	197	1	197	1,973	650.79	1,937	0.21	-1.82
280	351276	1109	2	555	4,025	565.52	5,486	1.53	36.30
281	351277	472	1	472	2,462	585.29	2,840	0.82	15.35
282	351278	895	1	895	1,384	523.18	2,374	1.13	71.53
283	351280	368	1	368	2,515	610.06	2,708	0.60	7.67
284	351282	1177	4	294	9,626	627.68	9,875	0.61	2.59
285	351283	438	1	438	2,529	593.39	2,828	0.45	11.82
286	351284	708	1	708	1,258	530.66	2,165	1.38	72.10
287	351285	998	2	499	4,711	578.86	5,658	1.07	20.10
288	351291	1710	4	428	10,050	595.77	11,260	0.93	12.04
289	351292	199	1	199	1,979	650.31	1,951	0.20	-1.41
290	351293	1060	2	530	4,382	571.47	5,585	1.32	27.45
291	351294	496	1	496	2,377	579.57	2,831	1.02	19.10
292	351298	11486	5	2297	0	467.08	0	0.00	0.00
293	351301	655	3	218	6,390	645.79	6,237	0.39	-2.39
294	351302	1132	1	1132	1,482	513.70	2,422	0.86	63.43
295	351304	851	1	851	1,395	524.94	2,339	1.24	67.67
296	351306	1267	1	1267	1,484	508.30	2,340	0.71	57.68
297	351307	173	1	173	1,853	656.50	1,763	0.23	-4.86
298	351308	384	1	384	2,528	606.25	2,747	0.64	8.66
299	351309	531	1	531	2,334	571.24	2,791	0.77	19.58
300	351310	514	1	514	2,286	575.28	2,814	1.19	23.10
301	351319	2628	6	438	14,915	593.39	16,966	1.05	13.75
302	351320	541	1	541	2,141	568.85	2,774	1.34	29.57
303	351322	392	1	457	2,162	588.86	2,435	1.06	12.63
304	351324	987	2	494	4,633	580.05	5,659	1.32	22.15
305	351326	732	1	732	1,255	529.70	2,201	1.33	75.38
306	351328	4443	16	278	37,374	631.49	38,333	0.40	2.57
307	351329	1270	1	1270	1,485	508.18	2,337	0.69	57.37
308	351331	4610	6	768	7,787	528.26	13,499	1.30	73.35
309	351334	3496	8	437	20,117	593.62	22,614	0.72	12.41
310	351335	327	1	327	2,468	619.82	2,583	0.66	4.66
311	351336	1710	1	1710	1,198	490.57	1,516	0.21	26.54
312	351342	215	1	215	2,075	646.50	2,057	0.26	-0.87
313	351343	589	1	589	1,902	557.42	2,655	1.38	39.59
314	351344	904	3	301	7,248	626.02	7,491	0.58	3.35
315	351405	2097	7	300	16,790	626.25	17,406	0.45	3.67
316	351424	936	3	312	7,258	623.40	7,602	0.48	4.74
317	361347	3465	3	1155	4,457	512.78	7,241	0.83	62.46
318	361348	73	1	73	895	680.32	853	-0.25	-4.69
319	361353	1211	1	1211	1,488	510.54	2,384	0.76	60.22
320	361356	4603	5	921	7,041	522.14	11,952	1.11	69.75
321	361358	6216	7	888	9,790	523.46	16,585	1.17	69.41
322	361365	285	1	285	2,400	629.83	2,429	0.71	1.21
323	361372	188	1	188	1,905	652.93	1,874	0.15	-1.63
324	361373	9056	10	906	14,122	522.74	23,809	1.15	68.60

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Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
325	361375	8160	11	742	14,136	529.30	24,353	1.34	72.28
326	361380	247	1	247	2,326	638.88	2,245	0.81	-3.48
327	361381	219	1	219	2,070	645.55	2,082	0.18	0.58
328	361389	1049	4	262	9,099	635.31	9,301	0.32	2.22
329	361390	2035	7	291	16,722	628.40	17,165	0.55	2.65
330	361396	2885	4	721	5,042	530.14	8,741	1.36	73.36
331	361401	1796	10	180	18,246	654.84	18,117	0.06	-0.71
332	361403	806	1	806	1,322	526.74	2,294	1.24	73.52
333	361404	958	2	479	4,861	583.62	5,678	0.95	16.81
334	361405	603	3	201	5,891	649.83	5,894	0.13	0.05
335	361408	1881	3	627	4,819	548.37	7,557	1.56	56.82
336	361409	10553	1	10553	0	337.64	0	0.00	0.00
337	361412	4183	3	1394	4,343	503.21	6,573	0.57	51.35
338	361413	1852	4	463	9,903	587.43	11,359	0.85	14.70
339	361419	318	1	318	2,424	621.97	2,554	0.41	5.36
340	361423	858	1	858	1,373	524.66	2,345	1.19	70.79
341	361424	743	2	372	5,041	609.11	5,430	0.70	7.72
342	361426	543	2	272	4,688	632.92	4,733	0.56	0.96
343	361427	25341	1	25341	0	337.64	0	0.00	0.00
344	361430	9895	8	1237	11,889	509.50	18,919	0.75	59.13
345	361431	2545	4	636	5,080	546.23	9,929	2.07	95.45
346	361439	828	3	276	7,063	631.97	7,169	0.54	1.50
347	361440	1879	4	470	9,680	585.76	11,354	1.12	17.29
348	361443	11312	9	1257	13,342	508.70	21,138	0.74	58.43
349	361448	1634	1	1634	1,141	493.61	1,718	0.43	50.57
350	361450	4195	6	699	7,457	531.22	12,956	1.40	73.74
351	361472	5941	10	594	19,018	556.23	26,397	1.32	38.80
352	361474	527	1	527	2,266	572.19	2,797	1.10	23.43
353	361475	3975	9	442	21,771	592.43	25,456	1.50	16.93
354	361476	454	1	454	2,454	589.58	2,837	1.12	15.61
355	361479	15498	3	5166	0	395.07	0	0.00	0.00
356	361485	1258	2	629	3,196	547.89	5,021	1.54	57.10
357	361487	1281	1	1281	1,293	507.74	2,327	1.05	79.97
358	361494	1047	1	1047	1,470	517.10	2,433	0.99	65.51
359	361495	768	2	384	5,053	606.25	5,493	0.61	8.71
360	361499	2346	1	2346	23	465.12	0	-0.01	-100.00
361	361500	37	1	37	490	688.90	452	-0.35	-7.76
362	361502	2219	2	1110	2,968	514.58	4,853	0.92	63.51
363	361505	6172	18	343	44,668	616.01	47,409	0.57	6.14
364	361507	1410	1	1410	1,428	502.57	2,167	0.57	51.75
365	361508	957	1	957	1,454	520.70	2,410	1.13	65.75
366	361512	169	1	169	1,749	657.46	1,732	0.02	-0.97
367	361515	2081	1	2081	685	475.72	171	-0.24	-75.04
368	361654	1599	3	533	6,767	570.76	8,363	1.06	23.59
369	371530	1450	5	290	11,958	628.64	12,252	0.56	2.46
370	371555	5741	9	638	14,100	545.75	22,249	1.49	57.79
371	371562	1066	3	355	7,558	613.16	8,024	0.80	6.17
372	371563	1023	2	512	4,529	575.76	5,628	1.29	24.27
373	371581	1693	2	847	2,720	525.10	4,668	1.20	71.62
374	371590	82	1	82	1,009	678.18	947	-0.18	-6.14
375	381509	307	2	154	3,294	661.03	3,216	0.02	-2.37
376	381601	47	1	47	584	686.51	567	-0.36	-2.91
377	381614	1404	5	281	11,741	630.78	12,051	0.43	2.64
378	381615	1898	4	475	9,774	584.57	11,347	0.92	16.09

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Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
379	381622	884	2	442	4,960	592.43	5,661	1.07	14.13
380	381625	5380	15	359	37,419	612.20	40,215	0.45	7.47
381	381638	1052	3	351	7,457	614.11	7,972	0.51	6.91
382	383303	34917	25	1397	36,044	503.09	54,636	0.57	51.58
383	391640	1513	3	504	6,949	577.67	8,480	1.19	22.03
384	391642	2839	5	568	10,156	562.42	13,566	1.32	33.58
385	391649	1465	1	1465	1,420	500.37	2,077	0.47	46.27
386	391650	11861	1	11861	0	337.64	0	0.00	0.00
387	391653	341	1	341	2,494	616.49	2,628	0.70	5.37
388	391654	13447	26	517	59,334	574.57	73,106	1.16	23.21
389	391657	7327	5	1465	6,805	500.37	10,385	0.57	52.61
390	391660	6067	8	758	10,301	528.66	17,896	1.30	73.73
391	391664	3761	14	269	32,417	633.64	32,955	0.41	1.66
392	391669	2051	6	342	14,895	616.25	15,781	0.61	5.95
393	391671	2352	1	2352	164	464.88	0	-0.07	-100.00
394	391677	4785	5	957	7,165	520.70	12,052	1.08	68.21
395	391682	405	2	203	3,982	649.36	3,947	0.17	-0.88
396	391684	1749	2	875	2,725	523.98	4,716	1.14	73.06
397	391688	1061	3	354	7,493	613.39	7,999	0.59	6.75
398	401710	963	2	482	4,835	582.91	5,670	0.98	17.27
399	401712	6820	8	853	10,951	524.86	18,714	1.20	70.89
400	401722	3720	8	465	19,233	586.96	22,721	1.28	18.14
401	421206	967	4	242	8,963	640.07	8,862	0.48	-1.13
402	421759	2324	6	387	15,179	605.53	16,532	0.91	8.91
403	421876	184	1	184	1,846	653.88	1,845	0.05	-0.05
404	421893	504	1	504	2,220	577.67	2,825	1.56	27.25
405	421900	1374	4	344	10,001	615.78	10,537	0.72	5.36
406	421932	1403	1	1403	1,430	502.85	2,177	0.59	52.24
407	421936	507	1	507	2,305	576.95	2,822	1.20	22.43
408	421942	1701	3	567	6,114	562.66	8,150	1.32	33.30
409	431968	1729	1	1729	1,163	489.81	1,462	0.20	25.71
410	432141	713	3	238	6,659	641.02	6,576	0.45	-1.25
411	442043	712	2	356	5,031	612.92	5,350	0.81	6.34
412	442107	7249	1	7249	0	352.86	0	0.00	0.00
413	462198	911	1	911	1,408	522.54	2,385	1.13	69.39
414	462206	73	1	73	905	680.32	853	-0.22	-5.75
415	462210	56	1	56	743	684.37	668	-0.25	-10.09
416	472227	1297	5	284	10,936	630.07	11,075	0.42	1.27
417	482252	3198	2	1599	2,577	495.01	3,604	0.36	39.85
418	502279	1685	1	1685	1,306	491.57	1,585	0.16	21.36
419	502282	1493	1	1493	1,370	499.25	2,026	0.49	47.88
420	502283	1722	3	574	6,240	560.99	8,095	1.10	29.73
421	522430	4132	3	1377	4,357	503.89	6,645	0.59	52.51
422	532386	1837	1	1837	1,085	485.49	1,123	0.03	3.50
423	532396	615	1	615	1,798	551.23	2,566	1.30	42.71
424	613005	45	1	45	537	686.99	544	-0.40	1.30
425	613026	171	1	171	1,798	656.98	1,748	0.12	-2.78
Total:					1,798,873		2,277,359		